EXAMINING POLICE RECORDS TO ASSESS GAMBLING IMPACTS: A STUDY OF GAMBLING-RELATED CRIME IN THE CITY OF EDMONTON

A Study Prepared for
The Alberta Gaming Research Institute

By

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CHAPTER I
INTRODUCTION

1. Background

Studies from various regions worldwide suggest an association between criminal activity and easily accessible gambling, yet, despite spectacular growth in the Canadian commercial gambling industry, little is known about the nature, extent or impact of gambling-related crime in Canada. Steps taken to address this information gap include presentations on the topic "Gambling and Crime: A Research Agenda" by Drs. Harold Wynne, Garry Smith and Colin Campbell at the Fourth Interprovincial Conference on Problem Gambling held in Regina in 1997. These presentations noted the dearth of research on the gambling and crime connection and endeavored to awaken interest amongst researchers in this topic of vital importance.

As part of a three-year commitment to research Canadian gambling issues, the Canada West Foundation commissioned a study entitled *Gambling and Crime in Western Canada: Exploring Myth and Reality* (Smith & Wynne, 1999). This study provided a preliminary review of the impact of gambling on western Canadian law enforcement agencies, provincial gaming regulatory bodies, and the criminal justice system. Subsequent, growing academic interest in the topic lead the Alberta Gaming Research Institute to sponsor a conference on "Gambling, Law Enforcement and Justice System Issues" at the University of Alberta, in March 2002. The present study expands on these earlier efforts by providing an analysis of the relationship between crime and gambling in a major Canadian metropolitan area, the City of Edmonton.

This report contains five major sections: First, we outline the role that gambling plays in Canada and the Province of Alberta; justify the need for the study; and present the background, purpose and goals of the project. Secondly, we survey the literature and review criminological theory pertinent to gambling-related crime. The methods and procedures used to gather and analyze the data are described in section three and, in section four; the results of the study are presented. Finally, in section five we draw conclusions from the findings and identify implications these findings have for government, law enforcement agencies and the community at large.

2. Growth in Canadian Gambling

Legal gambling offerings in Canada were sparse up until several decades ago when the situation changed dramatically as a result of watershed Criminal Code of Canada amendments in 1969 and 1985.

> Legal gambling in Canada now operates on a scale that was unimagined thirty years ago, not only because of the profusion of new games and gambling outlets, but also because of relaxed regulations that permit gaming venues extended hours of operation and to be open seven days a week, increased betting limits, on-site automated teller

> machines, gaming floor liquor consumption, and concessions to First Nations groups (Campbell & Smith, 2003, p 5).

The burgeoning of the Canadian gambling industry was prompted by a recognition of the revenue opportunities for provincial governments and is indicative of a growing permissive attitude toward a previously frowned upon social vice. In a short time span, gambling has become a powerful economic and political force in Canadian society. Supporting this observation are Statistics Canada data showing a rise in employment in the Canadian gambling industry from 12,000 jobs in 1992 to 41,000 in 2000; an increase in revenues from government-run lotteries, video lottery terminals (VLTs), and casinos from $2.7 billion in 1992 to $10 billion in 2000; and a jump in net income from $1.7 billion in 1992 to $5.6 billion in 2000 (Statistics Canada, 2002a, 2002b).

3. How Alberta Compares With Other Provinces

Alberta is a gambling-friendly province, both in terms of initiating gambling trends and public acceptance of the activity as measured by participation and wagering rates. At present, the Alberta government sanctions a wide assortment of legal gambling formats that produced net revenue of $1.182 billion for the provincial treasury in fiscal year 2000 (Statistics Canada, 2002a). The Statistics Canada report ranks Alberta first in the nation in annual household expenditure on gambling activities ($610). With respect to annual household expenditures on casinos, slot machines and VLTs, Alberta has a commanding lead on other provinces; the 20% of Alberta households who participate in these activities spend $1,023 yearly, which is nearly double that spent by Quebec households ($630), the second ranked province (Statistics Canada, 2002a). Alberta (6.3%) ranks first among provinces and territories in percentage of total annual government revenues derived from gambling, just ahead of Nova Scotia (5.6%) and Manitoba (5.5%) (Statistics Canada, 2002b). Alberta's reliance on gambling revenues has increased four-fold since 1992; in 1992 1.6% of the province's total revenues came from legal gambling sources (Statistics Canada, 2002b).

A recent Canada West Foundation overview of Canadian provincial gambling policies (Azmier, 2001), locates Alberta at or near the top in the following categories: (1) it is the only province to offer as many as fourteen gaming formats (p. 9); (2) Alberta (11,000) ranks second to Ontario (17,000) in gambling industry jobs—even though Ontario's population is over three times greater than Alberta's; (3) Alberta is the leading province in annual per capita wagering on electronic gaming machines ($244) and charity gaming ($75) per adult (age 18 and up); and (4) Alberta (4.8%) ranks second to Nova Scotia (5.5%) in terms of adult problem gambling prevalence rates.

4. Legal Gambling Opportunities in Edmonton

The City of Edmonton is replete with legal gambling opportunities. Included in the mix are four casinos (not counting one on the city's northern outskirts, a temporary licensed casino during the annual summer fair, and a proposed new First Nations run casino adjacent to the city's western boundary); 17 bingo halls; a major racetrack; 1,181

VLTs in 243 locations; 2,352 slot machines in five locations; 492 lottery ticket terminals; not to mention assorted raffles, sports pools, and pull ticket outlets (Alberta Gaming and Liquor Commission Annual Report, 2001-2002).

5. Justification for the Study

The acceptance of gambling by Alberta citizens and the province's dependence on gambling revenues presents fertile conditions for examining potential social and economic impacts of the activity. One of the presumed costs of gambling expansion is a higher crime rate; indeed, the U.S. Commission on the Review of the National Policy Toward Gambling (1976) concludes that the two primary reasons for legalizing gambling—revenue generation and crime control--are incompatible. Lynch (2002, p 167) contends there are several inherent features of legalized gambling that opportunistic criminals can exploit; namely, many cash transactions, the wide potential for dishonesty in gambling transactions and the cash handling process, the operator's information advantage, and the gambler's reliance on the operator's honesty.

Law enforcement officials concur that gambling expansion inevitably leads to "an increase in enterprise crime and money laundering activity particularly relating to casinos…and an increase in illegal activities such as loan sharking, extortion and frauds" (Proke, 1994, p 61). Media sources note that, "gambling addiction is fuelling crime" and "incidents of fraud and theft are skyrocketing as casinos and gaming outlets increase" (Blackwell, 2002, p A11). Public opinion polls reflect a general perception that a correlation exists between widely available gambling and crime; for example, a Canada West Foundation nationwide survey of "Canadian Gambling Behavior and Attitudes" (Azmier, 2000) found that 64% of respondents agreed that gambling expansion leads to an increase in crime. While these observations may or may not be prophetic, empirical evidence has yet to confirm this speculated link between crime and gambling in Canada. Indeed, there is a line of thought suggesting, "that because gambling leads to job growth in gambling communities, crime may actually go down" (Gazel, Rickman & Thompson, 2001, p 65).

6. Lead-Up to the Edmonton-Based Crime and Gambling Study

This study advances the authors' research efforts on the subject of gambling-related crime. A previous report entitled *Gambling and Crime in Western Canada: Exploring Myth and Reality* (Smith & Wynne, 1999, p 94) concluded, "it is virtually impossible to accurately assess the magnitude of gambling-related crime in western Canada." The basis for this contention is that: (1) official police records seldom specify a gambling connection even though it may factor into the incident; (2) monitoring and controlling illegal gambling is a low priority for municipal police forces; and (3) in some instances, gambling-related economic crimes are not reported to police agencies but are handled internally by bank, corporation, or gambling industry security personnel (Smith & Wynne, 1999).

In contrast to the absence of a thorough and accurate system for recording gambling-related crime, anecdotal data from municipal police services and the RCMP suggest there is ongoing gambling-related crime activity, but due to dwindling resources, the issue does not get the attention it deserves (Smith & Wynne, 1999). In general, western Canadian police respondents concur that some forms of illegal gambling thrive because of the activity's diminishing social stigma and because law enforcement agencies and the judicial system overlook it. Police officials also submit that legal gambling venues are prime locations for criminal activity because of the abundance of cash flowing through these facilities. Moreover, they maintain economic crimes (e.g. fraud, embezzlement, forgery, and counterfeiting) committed by disordered gamblers to support their habits are increasing (Smith & Wynne, 1999).

As part of an extensive "Gaming Licensing Policy Review" conducted by the Alberta Gaming and Liquor Commission (2001), consultations took place with various law enforcement stakeholder groups including the RCMP and police service representatives from Edmonton, Calgary, Lethbridge, and Medicine Hat. A consensus from the police input indicates that the following needs be addressed: (1) accurate estimates of the social and economic impacts of gambling in the province; (2) appropriate and accurate data on gambling-related crime; (3) regular and formal information sharing on gaming-related matters with the AGLC and across provincial police forces; (4) increased government funding to police services dedicated to investigating and analyzing gambling-related crime; (5) a determination of the likely consequences of increased gambling and having an appropriate societal response in place before gambling expansion occurs; (6) capability of establishing the extent of the link between crime and gambling; (7) consider the possibility of a police presence at Alberta casinos during operating hours; and (8) stable, sustainable funding to allow joint forces' operations to combat illegal gambling.

In addition to these specific recommendations, the Alberta law enforcement community expressed concern about problem gambling being associated with domestic violence, suicide, and white-collar crime; spin-off crimes from casinos such as loan sharking, money laundering, drug dealing and associated violence that extends beyond gambling venues; the importance of striking a proper balance between growth in gambling and social responsibility; and questioned the need for further gambling expansion because of its inevitable adverse effect on community quality of life issues.

As the foregoing commentary implies, scholars researching this topic face an inherent paradox; the fact that official police statistics and court records do not show gambling-related crime to be a serious problem, yet, knowing that police and court databases are incomplete to the extent that gambling is seldom identified as a motive or precipitating factor for crime. McMullan and Perrier (2002) cogently assess the Canadian crime and gambling nexus:

> The gambling marketplace in Canada includes a viable illegal industry with strong criminal norms and a proven ability to survive over time in an era of liberalized legalized tolerance. Legalized gambling has not displaced illegal gambling and, if anything, the relationship between the two sectors may be symbiotic and supportive of mutual growth. Yet the study of illegal gambling and

> gambling's relationship to crime is under-researched and poorly understood in Canada (p 2).

This study is part of an overarching interest in the costs and benefits of widespread legal gambling. Given the immensity and complexity of full-scale cost/benefit analyses of legal gambling [e.g., no generally accepted conceptual framework, definitions or typology of gambling costs and benefits or measurement protocols to guide such a study (Smith & Wynne, 2000)], it makes sense to begin the process incrementally rather than attempting an unwieldy mega-project. Ostensibly, one side effect of expanding a jurisdiction's gambling offerings is the prospect of higher crime rates. Indeed, in his discussion of costs associated with permitted gambling, economist William Eadington (2000) includes the possible causal linkage between gambling and rising crime and suicide rates; whether or not this supposition is accurate has yet to be proven. In an attempt to discern the connection between gambling and crime, our focus is narrowed to one metropolitan area and employs a variety of measures to provide as detailed an assessment as possible.

7. Purpose and Goals

The purpose of this project is to document and analyze linkages between gambling and criminal activity in the City of Edmonton, Alberta. We seek to determine the nature and scope of gambling-related crime, how gambling-related crime is monitored and enforced, the fiscal and human resource costs of gambling-related crime, and the policy implications of these findings. Data for this study emanate from Edmonton Police Service (EPS) and Alberta Gaming and Liquor Commission (AGLC) files, perceptions of senior EPS and RCMP officers, perceptions of Edmonton's major gambling venue security managers, and Edmonton Police Service crime mapping technology.

Even though this is a second-stage study designed to incrementally advance our understanding of the gambling and crime linkage, the report is still considered preliminary in nature. The primary goals of the project are:

- To provide a summary review of gambling and crime in the city of Edmonton from the beginning of 2001 to the end of August 2002.
- To develop and test a research protocol that can be used across jurisdictions to assess gambling-related crime.
- To supply information and analysis to inform public policy decisions.
- To identify avenues for future research into gambling-related crime.

The next chapter surveys the scholarly literature on gambling and crime and reviews criminological theories that explain gambling-related crime.

CHAPTER II
LITERATURE REVIEW

1. Definitions

1.1 What is Crime?

A broad definition of crime offered by Albanese (2002) is "conduct that threatens the social order as defined by legislatures" (p 578). More specific to this study, crime is perceived as "an intentional violation of the criminal law, committed without defense or excuse, and penalized by the state" (Tappan, 1947, p 96). Inherent in these definitions are several assumptions: (1) there is no crime without law and without a state to enforce its breach, (2) there must be intention on the part of the perpetrator, and (3) to be judged culpable, the perpetrator must be deemed competent; that is, able to form criminal intent and presumed capable of controlling his/her behavior (Nettler, 1984). By this reckoning, crime is not a fixed category of behavior, but rather a socially created designation (Dixon, 1991); a crime in one jurisdiction may not be a crime in another.

The notion of crime stems from conceptions of acceptable behavior, and how society defines acceptable behavior is rooted in concepts such as sin (a breach of divine law), vice (the wrongful use of one's appetites), and morals (distinguishing right from wrong) (Nettler, 1984). Sociology of law is the sub-discipline that considers issues such as: why some acts are considered criminal and others are not, how and why definitions of criminal behavior change, the consequences of criminal stigmatization, and the most effective ways for society to respond to crime. While all criminal acts are by definition societal wrongs, on a continuum of public tolerance they range from petty to heinous, depending on the perceived danger to society. For example, crimes of predation such as murder, assault, and rape are seen as inherently abominable and nearly universally condemned according to natural law, although even these behaviors can be relative or variable depending on the context (e.g. cultural norms, historical era, etc.); whereas, the public and law enforcement community view crimes such as marijuana use, bookmaking, and prostitution ambivalently. In other words, some crimes are seen as fundamentally evil, while others are "*mala prohibita;* " that is, "wrong chiefly because our moral norms (formal and informal) say they are" (Stebbins, 1996, p 4).

1.2 What is Gambling?

Devereux (1979) defines "gambling" as the betting or wagering of valuables on events of uncertain outcome. Inferred in this definition is that: (1) an element of risk is involved, (2) there is a winner and a loser—money, property or other items of value change hands, (3) at least two parties are involved in the activity—a person cannot gamble against him/herself, and (4) the decision to gamble is made consciously, deliberately, and voluntarily.

In everyday language the word "gambling" has broad currency; for example, activities such as farming, fishing, searching for oil, marriage or even crossing a busy street are sometimes referred to as gambles. When used in this imprecise fashion, the concept of risk is confused with the notion of a gamble; the main distinction being that the aforementioned activities are not games organized specifically to induce wagering. It is the so-called "games of chance" that are the focus of this paper. Certainly, gray areas such as speculative investments and playing the stock market may or may not be construed as gambling depending on the context and the circumstances.

Governments and the gambling industry prefer the word "gaming," a euphemism for gambling designed to soften public perception of an activity that in the past may have "conjured up images of illegal activities being conducted by unsavory characters" (Pavalko, 2000, p 88). Widespread use of the term "gaming" is intended to recognize and reinforce the activity's now legal and more acceptable status (Smith & Wynne, 2002). Indeed, connotations of the terms are evolving to the point where "gambling" is construed as bad and "gaming" as good. "Gambling" implies unauthorized wagering, whereas "gaming" applies to betting formats licensed and regulated by governments. Even though the activities under each designation may be identical, "gambling" conjures word associations such as illicit, addictive, and dangerous, whereas "gaming" is meant to evoke visions of entertainment, fun, and amusement.

1.3 What is Problem Gambling?

In the Canadian Inter-Provincial Task Force on Problem Gambling's report, *Measuring Problem Gambling in Canada* (Ferris, Wynne & Single, 1999), problem gambling is defined as "gambling behavior that creates negative consequences for the gambler, others in his or her social network, or for the community" (p 57). Operationally, in general population surveys respondents qualify as problem gamblers if they score above a predetermined threshold on one of the commonly used problem gambling screens or indexes; for example, answering yes to five or more of the ten DSM IV "persistent and maladaptive gambling behaviors" or scoring 8 or higher on the Canadian Problem Gambling Index (CPGI). The CPGI is calculated differently than the DSM IV in that there are four possible answers to the nine problem gambling severity questions. An answer of "never" = 0, "sometimes" = 1, "most of the time" = 2, and "almost always" =3. Based on this scoring method, a respondent's index can range from 0 to 27 and the cutoff point for registering as a problem gambler is a score of 8 or above.

In clinical settings, a determination of problem gambling behavior is made by a health care professional after a thorough intake interview that customarily includes administering one or more problem gambling instruments. A clinical level of precision for identifying problem gamblers is beyond the scope of this study. For our purposes, the terms "gambling problem" or "problem gambler" correspond with information contained in EPS or AGLC files; in other words, when a police officer, government investigator, witness or family member describes a suspect as having a gambling problem. This designation does not necessarily mean that the individual would qualify as a problem gambler using the more exacting screening criteria.

1.4 What is Gambling-Related Crime?

For the purposes of this study we are interested in criminal activity that is both directly and indirectly gambling-related, which includes criminal offences covered under the following categories: (1) illegal gambling—gambling activity that is counter to Criminal Code of Canada statutes, such as bookmaking, keeping a common gaming house, and cheating at play; (2) criminogenic problem gambling— such as forgery, embezzlement, and fraud, typically committed by problem gamblers to support a gambling addiction; (3) gambling venue—crimes that occur in and around gambling locations, such as loan sharking, money laundering, passing counterfeit currency, theft, assault, prostitution and vandalism; and (4) family abuse—victimization of family members caused by another family member's gambling involvement, (e.g., domestic violence, child neglect, suicide, and home invasion).

2. Legal Issues Pertaining to Gambling in Canada

Following from the preceding discussion on word usage nuances, gambling is an elusive legal term in Canadian society because, depending on the game and circumstances surrounding it, a variety of legal statuses are possible. For instance, certain gambling formats are legal according to Criminal Code of Canada statutes and may be managed and/or operated by provincial governments if they so choose; these include pari-mutuel betting on horse racing, casinos, lotteries and raffles, bingo, and electronic gambling (slot machines and video lottery terminals). Confounding the issue is the fact that some provinces offer gambling formats that others do not; for instance, eight of the ten provinces allow video lottery terminals (VLTs), but Ontario and British Columbia, who together make up over half the nation's population, forbid the machines. Similarly, seven provinces permit casino gambling, but three maritime provinces (Newfoundland, Prince Edward Island, and New Brunswick), do not.

Furthermore, some gambling formats have changed legal status in recent years—electronic gambling devices (slot machines and video lottery terminals) and dice games were illegal until Criminal Code of Canada amendments in 1985 and 1998 were enacted. Decriminalization tends to blur public perception about the legal status of gambling; Skolnick (1978) notes that when a formerly outlawed activity becomes legal, questions arise, such as: (1) If the activity is now not considered socially damaging, why was it illegal in the first place? (2) Does a decriminalized activity shed its stigma through legalization or do the legislators that declared the questionable activity to be acceptable, lose credibility? And (3), who should be allowed to manage, promote, regulate, and profit from the newly sanctioned activity? Given the recent amendments to the Canadian Criminal Code gambling statutes, legal scholar Tim Patrick (2000) questions "whether the provinces should be conducting and managing what amounts to, save for the exemptions, a criminal activity" (p 111). Under these circumstances "it appears that the only difference between legal and illegal gambling is whether or not the state is running the game" (Albanese, 2002, p 33).

3. Trends in Illegal Gambling in Canada

The Criminal Code of Canada explicitly forbids gambling formats or operations such as three-card monte and keeping a common gaming house; in addition, any gambling format not covered by Criminal Code provisions is deemed illegal. In its 1999 and 2000 annual reports, the Criminal Intelligence Service Canada identifies the following trends concerning illegal gambling in Canada:

- The tremendous profits and few significant deterrents associated with illegal gambling make it one of organized crime's more popular sources of income.
- Online gambling is a rapidly growing phenomenon that is becoming an enforcement challenge for police and law enforcement.
- Illegal gambling machines produce significant profits. Criminals to support drug trafficking, money laundering, and enterprise crime operations use non-declared income from these machines. Other gambling offences include illicit foreign and domestic lotteries, unauthorized pull-ticket distribution, bookmaking, and illegal gaming houses.

Smith and Wynne's (1999) study of gambling and crime in western Canada concludes that illegal gambling is extensive in the four largest cities—Vancouver, Calgary, Edmonton, and Winnipeg—less so in medium-sized cities, and a minor concern in rural areas. The study also reports that the larger the western Canadian city, the greater the likelihood of organized crime penetration into illegal gambling.

The Smith and Wynne (1999) report identifies sports betting with a bookmaker, unauthorized card clubs, unlicensed VLTs, and offshore lottery sales (see also Campbell, 1996) as the most prominent western Canadian illegal gambling formats. Ironically, these are versions of government-offered gambling formats. A major consequence of illegal gambling is that governments or licensed charitable/non-profit organizations receive no revenue from the games nor do illegal game operators pay tax on their earnings. Some forms of illegal gambling (e.g. bookmaking and card rooms) compete well with their legal counterparts because they offer more attractive wagering propositions and services such as credit, better odds, higher stakes action, and telephone betting (Small, 1999). Contrary to the conventional wisdom that unregulated gambling invites player victimization in the form of cheating and unfair odds, it is argued that prevailing market forces control illegal gambling—how many people want the service at the going price. It seems paradoxical, but business success in illegal gambling operations, as with legal enterprises, depends on honesty and mutual trust (Rosecrance, 1987; Dixon, 1991). A more salient argument against illegal gambling operations is the fact that credit is available to players, thus increasing the likelihood of gamblers getting in over their heads and making them vulnerable to loan sharks, blackmailers, extortionists, and so forth.

3.1 Estimating the Scope of Illegal Gambling in Canada

It is difficult to precisely gauge the scope of illegal gambling in a jurisdiction; however, revenue estimates rival, and in some cases surpass, those of its legal counterpart. For instance, sports bookmaking is illegal in every American state except

Nevada; Nevada's 153 legal sports books handled $2.5 billion in betting action in 1999, whereas the American National Gambling Impact Study (1999) estimates that $380 billion annually is bet illegally on sports events around the nation. By this comparison, Nevada's legal sports betting total accounts for less than one percent of America's sports betting revenues.

The only meaningful measure of illegal gambling in Canada comes from Ontario, the province that takes illegal gambling enforcement most seriously. In 1997, a multi-jurisdictional entity, the Ontario Illegal Gaming Enforcement Unit, was created; the unit receives provincial funding and its specialized services are available to all Ontario police agencies (Moodie, 2002). Table 1 presents illegal gambling statistics, beginning with the Ontario Illegal Gaming Enforcement Unit's inception in 1997 up to the end of 2001.

TABLE 1
Ontario Illegal Gambling Statistics (1997-2001)*

Occurrences	1,370
Persons Charged	2,069
Charges Laid	3,517
Machines Seized	2,034
Value of Items Seized	$6,016,505
Cash Seized	$1,233,763
Fines and Forfeitures	$2,839,533

*Information derived from Moodie (2002)

Moodie's (2002) report provides the following commentary on illegal gambling in Ontario:

- A confirmation of the suspected link between organized crime and illegal gambling, in that at least eight murders in the Toronto area over the past three years were directly related to turf wars connected to organized crime illegal gambling operations and an estimate that for every dollar collected by sports bookmakers, ninety-two cents flows through organized crime channels.
- An estimated three murders and over 25-armed robberies committed annually in the Toronto area alone connected to illegal gambling houses.
- An estimated 4,000 to 5,000 illegal gambling machines exist in Ontario and organized crime groups such as the Hell's Angels, Mafia, Asian-based organized crime and eastern European-based groups are heavily involved in their ownership and operation.
- Technological advances such as computers, fax machines, pagers, and cell phones have helped illegal gambling flourish. Profits from illegal gambling are used to fund other unlawful activities, thereby entrenching organized crime in the community.
- "Proceeds of Crime" legislation has been the most effective tool for the Ontario Illegal Gaming Enforcement Unit in combating illicit gambling

operations because it allows the dismantling of operations through asset and profit seizures.

In a case study describing illegal gaming house operations in Alberta, Rorison (2002), outlines the services offered, describes the clientele who frequent the venues, and estimates operators' gross revenues. In addition, Rorison (2002) chronicles a joint forces' operation consisting of personnel from both the Calgary and Edmonton Police Service Vice units and the Alberta Gaming and Liquor Commission Investigation Branch that resulted in four locations being closed in Calgary and Edmonton; 12 owners charged with keeping an illegal gaming house; 19 dealers and 55 player/found-ins charged; 25 licensed gaming workers suspended for 30 to 90 days; and seizure of gambling paraphernalia such as poker tables, chips, rake boxes and filing cabinets. A separate raid on six Calgary locations yielded 26 illegal gaming machines along with $8,000 cash inside the machines, and 30 grams of crack cocaine. The bust led to 12 adults facing 22 criminal charges and three persons being deported by Canada Immigration.

While joint forces' initiatives such as the above have been successful, they occur infrequently because of the time, human, and financial resources needed to follow them through. Though labor intensive, these covert operations can put a serious dent in illegal gambling ventures; for example, one poker table operating 16 hours a day, averaging $70 per hour profit, projects to nearly $400,000 per year—tax free.

3.2 Organized Crime Involvement

In the preceding commentary we allude to "organized crime" and its alleged connection to Canadian illegal gambling operations. Politicians, law enforcement officials, academics, and the mass media, each to further their own agenda, use the term widely, yet differentially (Beare & Naylor, 1999). A general definition of "organized crime" offered by Albanese (2002) refers to:

> A continuing criminal enterprise that rationally works to profit from illicit activities that are often in great public demand. Its continuing existence is maintained through the use of force, threats, monopoly control, and/or the corruption of public officials (p 581).

Morris and Block (1997) maintain that organized crime operating in groups known variously as mobs, crews, gangs or syndicates has a reputation for not only initiating and developing illicit gambling, but also corrupting government.

Common to definitions of organized crime are presumptions of a "unique process or pattern" of criminal activity that is particularly threatening to society; an association of criminals (structured or otherwise); and persistence of the activity over time (Beare & Naylor, 1999). "Organized crime" is not specifically defined in the Criminal Code of Canada; however, the phrase "part of a pattern of criminal activity planned and organized by a number of persons acting in concert" appears in Section 183 and is sometimes cited by police as their working definition of the term. Such a broad conceptual view of the phenomenon may however be counterproductive, because of the extreme variability in organized crime operations depending on their size, structure, sophistication, and motivation. For the purposes of this study "organized crime" is used in the limited way that police officers use the term; that is, their reference points are either ethnic or motorcycle gangs who operate in a fashion congruent with the Albanese (2002) definition presented above.

Police intelligence reports cited by Smith and Wynne (1999) claim that Asian criminal gangs are prominent in illegal gambling in western Canada's four largest cities and, to a lesser extent, so are Italian, Greek, Portuguese, and eastern European groups. These groups operate primarily in niche markets, particularly in their own cultural enclaves. Moreover, law enforcement agents concur that organized crime involvement in illegal gambling is seldom restricted to gambling. A hallmark of organized crimes' fascination with illegal gambling is that it complements other illegal activities such as money laundering and loan sharking and is a way of accumulating money that can be used for other illicit purposes (Lyman & Potter, 2000).

As predicted in the Criminal Intelligence Service Canada annual reports (1999, 2000), Internet gambling is attracting criminal conspiracies looking to profit by swindling investors, bilking customers, and hoodwinking security commissions. A recent example of a Canadian company investigated for Internet gambling improprieties including selling franchised Internet Gaming Systems and having organized crime affiliations, is the Vancouver-based "Starnet" corporation (Ryan, 2002).

From a contrary perspective, Campbell (1992) contends that police claims about gambling and organized crime are part of a concealed agenda designed to further their own bureaucratic interests; that is, "to arouse public interest and concern" (p 247), which may lead to a chain reaction of tightened gambling regulations, more resources for police initiatives, and post-retirement jobs for police gaming specialists with government and/or the gambling industry.

4. Typical Legal Gambling-Related Crimes

4.1 Spin-off Crime From Legal Gambling Venues

Offences that occur in and around gambling facilities constitute a major category of gambling-related crime. As British gambling scholar David Spanier (1988, p 189) notes "Crooks and cheats are drawn to gambling like maggots to blue cheese." Some criminal behavior in gambling venues is a byproduct of the games themselves such as cheating at play; however, much of the on-site criminal activity is peripheral to the gambling action, per se, and more the result of criminal types being attracted by the free flowing cash, throngs of customers, and relative ease with which the proceeds of crime can be legitimated (Smith & Wynne, 1999). In this regard, gambling venues are somewhat analogous to banks, shopping malls, theatres or sporting events where crimes may occur for similar reasons.

Cheating at play is a crime exclusive to gambling venues and generally occurs in the following ways: (1) tampering with the instruments of gambling (e.g. marking cards, using loaded dice, recalibrating gaming machines, unbalanced roulette wheels, drugging horses, etc.); (2) player-employee collusion (e.g. signaling the dealer's hole card in blackjack, introducing an unshuffled deck into a blackjack or baccarat game, or race-fixing involving jockey-trainer conspiracies); and (3) miscellaneous scams such as altering bets after the fact; that is, adding to or subtracting from a bet after a hand has been dealt, using a computer or mechanical device to keep track of cards played, and overpaying winners—again, a prearranged gambit between dealer and player.

A variation of cheating at play that recently came to light in Canada is video lottery terminal fraud. McMullan and Perrier (2002) outline an elaborate scheme perpetrated in Atlantic Canada whereby VLTs were routinely manipulated to pay out on a predictable basis. A criminal team consisting of up to 5 members, operating for four years, took in between $400,000 and $1.2 million. Because the offenders cooperated with gambling regulators by explaining the complicated technology behind their system, the resulting charges were extremely lenient. Only two team members were prosecuted and convicted under section 342.1(1)(b) of the Criminal Code for unauthorized use of a computer, computer programs, computer data and mechanical devices to defraud a video lottery terminal, resulting in sentences of conditional discharges and one year probation (McMullan & Perrier, 2002).

Racetracks and casinos are cited as popular venues for money laundering schemes (Beare and Schneider, 1990). Money laundering is defined as "the process of converting cash, or other property which is derived from criminal activity, so as to give it the appearance of having been obtained from a legitimate source" (McDonnell, 1998, p 2). Despite the introduction of a law requiring an official report for cash transactions over $10,000, casino money launderers avoid detection by making several smaller cash exchanges so as not to arouse suspicion (Smith & Wynne, 1999). The vulnerability of casinos to money laundering schemes is a significant enough issue to have been the subject of a special United States Department of the Treasury Financial Crimes Enforcement Network report (1998).

Casinos are also said to be focal points for crimes such as robbery, passing counterfeit currency, prostitution, pandering, and drug trafficking (Calgary Police Commission Report, 1996). In addition to crimes where the acquisition of money or property is a primary motive, the Calgary Police Commission report (1996) lists assaults, drunk and disorderly behavior, spousal abuse and child neglect as other indictable offences associated with gambling venues.

Employee theft is common in gambling venues and has been attributed to the volatile combination of low-paid workers exposed to the temptation of large amounts of rapidly circulating legal tender. While not endemic in Canada, criminal activity associated with casino ownership has surfaced in both the United States and United Kingdom regarding tax evasion and hidden ownership whereby criminals "disguise their interests through the use of nominee shareholders holding shares in trust" (Pinto &

Wilson, 1990 p 3). Similarly, "skimming" or stealing from a gambling venue's profits to avoid taxes or to cheat business partners has been an issue in Nevada since gambling was legalized in 1931 (Burbank, 2000). Nevada has also been plagued by hidden ownership, the employment of individuals of questionable character and background, and clear links to organized crime (Denton & Morris, 2002). In Nevada and New Jersey organized crime has infiltrated ancillary businesses such as food suppliers, machine maintenance, and labor unions (Reid & Demaris, 1964; Demaris, 1987).

Albanese (1997) used a prediction model to estimate the impact of casino gambling in Windsor, Ontario on street crimes and the demand on police resources. Three crime-related concerns are cited: (1) the integrity of the games themselves, (2) organized crime infiltration of the casinos and vendors, and (3) ambient crime in and around the casino. The integrity of the games was not discussed as this was deemed a duty of the investigation unit of the Ontario Gaming Control Commission. Albanese (1997) advised that organized crime infiltration be dealt with through licensing (extensive background checks) and casino monitoring procedures. Ambient crime was seen as the most significant concern, as street-level crimes such as robbery, assault, larceny, and burglary would deter casino visitations. Acknowledging that the new Casino Windsor would cause an increased workload for the Windsor police, Albanese (1997) recommended that:

- Twelve new police officers be added to the force to maintain the same level of service the City would have had without the casino.
- The Windsor Police Department closely monitor the location and time of day of crimes committed after the casino opening; the idea being that this data could influence police deployment considerations and may lead to creative crime prevention strategies in and around the casino.
- The Windsor Police Department establish a visible presence at or near the casino; that is, a substation on the casino site or across the street to handle casino-related calls and to assure visitors (80% of the patrons are Americans) that safety precautions are taken seriously.

4.2 Corruption

The corruption of public officials and the existence of illegal gambling operations have gone hand-in-hand for centuries; in fact, Dixon (1991) asserts that a degree of corruption is a likely consequence of expanded gambling. To wit, early American lotteries were rife with improprieties in that large sums of lottery revenues were unaccounted for (Nibert, 2000), drawings manipulated, inferior goods substituted for prizes (Kaplan, 1984), and tickets forged (Hutchinson, 1999). The open bribery of Louisiana legislators by state lottery operators in the late nineteenth century led to the nationwide abolition of state lotteries for 75 years (Thompson, 2001). Chicago gambling dens in the late nineteenth century had secret passageways for easy escape, but as O'Brien (1998 p 285) notes, these were hardly necessary as, "Chicago's perpetually corrupt police force rarely enforced the City's antigambling laws." In turn-of-the-century New York City, illegal gambling syndicates were associated with the notorious Tammany Hall political machine, as bookmakers and their cohorts were effective at getting out the partisan vote on election days (Haller, 1979). A former FBI director in several Midwestern American cities in the 1930s and 40s, recalls illegal gambling "kingpins" ruling over a city's political structure and "exerting tremendous influence over the police, the prosecutors, and the courts" (Peterson, 1950, p 20). Peterson's droll take on the situation was that, "Under such circumstances the non-enforcement of the gambling laws was no mystery" (p 20).

O'Brien (1998) and Denton and Morris (2002) provide detailed accounts of the Las Vegas gambling scene in the years between 1945 and 1980 being controlled by mobsters with the complicity of local police, state gaming regulators, senators, governors, and the Federal Bureau of Investigation. It was during this era (1960) that the state of Nevada instituted its notorious "Black Book" (a list of persons banned for life from all licensed gambling venues in the state) in an attempt to curb the infiltration of organized crime interests (Farrell & Case, 1995). Eventually, forty-six males and one female comprised the list of excluded persons. As will be seen in Chapter four, Edmonton's major gambling outlets also have "banned lists," but for a different reason; namely, the safety and comfort of players and the smooth operation of the games.

On a smaller scale, the link between gambling interests and political corruption also surfaced in Atlantic City and New Orleans in the early 1980s and in Native American casinos in the 1990s (O' Brien, 1998; Barlett & Steele, 2002). More recently, former governor of Louisiana, Edwin Edwards, was convicted for accepting bribes from gambling promoters seeking state casino and gaming machine licenses (Thompson, 2001).

Other historical forms of corruption connected to the American gambling industry are extortion, bribery and "kickbacks." Sternlieb and Hughes (1983) report it being commonplace for casino developers to pay organized crime interests to guarantee labor peace during casino construction; the conventional wisdom being that labor stoppages or slowdowns could be far more costly than the extortion payments. Bribery and kickbacks occur for a variety of illicit purposes; for example, to expedite permits and licenses, relax the enforcement of gaming regulations, keep individuals out of jail, and win lucrative contracts (Reid and Demaris, 1963; Burbank, 2000).

Not to be outdone, Canada has had its share of gambling-related political scandals in the past decade. In what he calls a "recipe for disaster," Hutchinson (1999, p 204) reckons that an explosive cocktail is created when ultra-competitive gambling promoters aggressively lobby cash-strapped, morally challenged provincial governments. Two celebrated cases in British Columbia support Hutchinson's premise: in the first instance, elected officials fraudulently channeled gambling proceeds into political party coffers resulting in a jail term for former NDP Finance Minister David Stupich and, although not criminally implicated in the scandal, NDP Premier Mike Harcourt resigned over the issue (Campbell, 2000). In the second incident, sitting Premier Glen Clark was accused of using his influence with provincial authorities to ensure that a friend received a casino license in return for free home renovations from the casino applicant. Clark vacated the Premier's office as a result of the charges. After lengthy court proceedings (over three years), Clark was exonerated of the criminal charges, while the developer was found guilty on six counts, including attempt to influence an elected official. Despite Clark being cleared on influence peddling charges, the court ruling was silent on how it was that an inferior casino license application—which was initially rejected—later, received approval.

Political indiscretions such as patronage, conflict of interest, and undue influence are often associated with gambling transgressions; such was the case in Nova Scotia where the provincial government was co-opted by the Sheraton Casinos Nova Scotia Corporation. After receiving favorable terms to build and operate casinos in Sydney and Halifax, Sheraton reneged on the contract when their revenue expectations were unmet. Political damage occurred when the government chose to grant Sheraton uncalled-for and expensive concessions. While criminal charges were never laid, "the controversy involved allegations of impropriety, perjury, government interference and secret back-room dealing" (Hutchinson, 1999, p 111). The fallout from the dubious Sheraton—Nova Scotia government alliance cost provincial taxpayers millions of dollars and compromised the government's integrity. The reigning Liberal party was soundly defeated in the ensuing election, in part, because of lingering furor over the "Casinogate" affair.

A Toronto Star expose of the Ontario Casino Corporation (a provincial government company whose mandate is to develop revenue-generating casinos to help reduce the province's debt load) unearthed incidents of mismanagement, lax control of the public purse, no tendering for bids on multimillion-dollar contracts, missing documents, and bureaucrats taking jobs with the casinos they helped create (Donovan, 1997). Despite the untoward intimacy between the Ontario Casino Corporation and private casino companies and the squandering of taxpayer funds, criminal charges were not pressed because the Ontario government had no conflict-of-interest legislation. Subsequent to the casino fiasco, the provincial Integrity Commissioner's Office issued non-retroactive guidelines saying that civil or criminal action could be taken against former employees who accept employment within twelve months with a company that the individual had substantial dealings with in the course of his or her duties with the crown. Lobbying the government by former senior public servants or officials is now also forbidden.

While gambling-related scandals involving high-ranking public officials are not rife on the Canadian scene, several well-publicized incidents occurred in recent years. The Executive Director of the Manitoba Lottery Corporation, Bill Funk, was fired for improprieties relating to executive travel and entertainment expense accounts, executive vehicles, and corporate promotions as well as unauthorized cost overruns in the construction of gaming venue expansions and inappropriate hiring and promotion practices (Manitoba Government Auditor's Report, 2000). In Alberta, the former head of the Alberta Gaming Commission, Ziad Jaber, was convicted of illegally accepting a $200,000 benefit from a land developer (Kent, 2000).

The RCMP commercial crime unit in Saskatchewan investigated alleged malfeasance in regard to operations of the Saskatchewan Indian Gaming Authority (SIGA). SIGA's former CEO and Board Chairman, Dutch Lerat, was removed amid charges of misappropriation of funds and questionable business practices. In an effort to redress SIGA's lack of "adequate rules and procedures to safeguard and control its assets" (p 172), the Saskatchewan Provincial Auditor (2001 Fall Report—vol. 2) made 13 recommendations dealing with such basics as conflict of interest policies, a proper code of conduct, appropriate policies for dealing with Board and executive management travel, tendering and awarding contracts, and delegation of authority.

4.3 Problem Gambling-Related Crime

It is axiomatic to state that readily accessible legal gambling (especially continuous gambling formats) is associated with increased numbers of problem gamblers (Walker, 1997). And, since a major social and economic impact of problem gambling is illegal acts committed to obtain money to gamble or pay gambling-related debts (Volberg, 2001), logic dictates that more fast-paced gambling should beget more crime. So far, most of the information linking problem gambling to criminal behavior has emerged from clinical, welfare, and judicial sources and is often anecdotal in nature (O'Connor & Jones, 1998). There is, however, a growing body of academic literature relating problem gambling behavior with criminal involvement.

Depending on the group being studied, two different views emerge regarding the criminal tendencies of problem gamblers; that is, data from general population surveys show only a modest association between problem gambling severity and engagement in criminal acts; whereas, data from Gamblers Anonymous (GA) members, problem gamblers in treatment, and incarcerated populations indicate a much closer correspondence between the two behaviors. For example, in two Alberta studies (Wynne Resources, 1998; Smith & Wynne, 2002) respondents were asked if they had ever been in trouble with the law because of their gambling activities. In the 1998 survey, only 2% of the problem gamblers and 5.6% of the probable pathological gamblers answered affirmatively. Using a slightly different classification system, the 2002 study revealed that 4.3% of the highest risk problem gamblers had stolen or committed illegal acts to support their gambling participation. Conversely, 68% of a sample of Quebec GA members reported committing illegal acts to finance their gambling (Ladouceur, Boisvert, Pepin, Loranger, & Sylvain, 1994). A breakdown of the offences admitted to in the Quebec study include: 10% of respondents falsified documents or forged signatures, 23% embezzled, 33% passed bad checks, 18% filed false income tax returns or neglected to pay income tax, and 3% made false statements to insurance companies (Ladouceur, et al., 1994). Similar, American-based studies report that 61% of Maryland problem gamblers in treatment engaged in illegal activity to support their gambling (Lorenz and Politzer, 1990) and a survey of Montana GA attendees found that 69% of respondents passed bad checks to support their gambling habits and 73% admitted committing other illegal acts to further their gambling participation (Polzin et al., 1998). North American incarcerated populations also exhibit significantly higher problem gambling prevalence rates than those found in general population surveys (Lesieur & Klein, 1985; Walters, 1997).

McCorkle (2002) used the DSM-IV criteria to examine the prevalence, correlates and consequences of pathological gambling among arrestee populations in Des Moines, Iowa and Las Vegas, Nevada. Key findings from his study include: (1) the pathological gambling prevalence rate among the arrestee population in Des Moines is 4.4 times greater than the estimated rate for the state as a whole, and the Las Vegas arrestee rate, is triple Nevada's estimated pathological gambling prevalence rate; (2) pathological gambler arrestees were no more likely than their non-pathological gambling counterparts to have been charged with felonies or income generating crimes; and (3) pathological gambler arrestees reported that one-in-four assaults, one-third of all property offences, and 20 percent of all drug sales were committed to get money to gamble, pay off gambling debts, or were otherwise related to their gambling problem.

Cross-cultural studies also support the relationship between problem gamblers in treatment and/or GA members and their likelihood of having committed criminal acts. For instance, 54% of a German GA member sample (n=437) said they had engaged in a crime to get money to gamble (Meyer & Fabian, 1992). A more recent German study (Meyer & Stadler, 1999), comparing the criminal activity of problem and non-problem gamblers, found that 59% of the problem gamblers had committed a crime in the past year, which led to 35% being arrested and 28% convicted. In contrast, 22% of the non-problem gamblers admitted to criminal behavior in the previous year, which led to 6% being arrested and 3% convicted.

In an Australian sample combining problem gamblers in treatment and GA members (n=109), 54% admitted to a gambling-related offense, with 21% ultimately being charged (Blaszczynski, McConaghy, & Francova, 1989). A second Australian study on a similar population (n=306) produced nearly identical findings; in that, 59% reported having engaged in criminal behavior to continue their gambling and 21% were convicted for these offences (Blaszczynski & McConaghy, 1994).

Speculative arguments as to why the discrepant involvement in criminal activity between various problem gambling subgroups include:

- Survey respondents being reluctant to divulge deeply personal information to a stranger over the telephone.
- It is usually not until the late stages of a gambling addiction that problem gamblers turn to illegal fund raising means (Rosenthal & Lesieur, 1996); most GA members and problem gamblers in treatment have experienced the desperation phase, given their attempts at rehabilitation; whereas, problem gamblers identified in general population surveys (the vast majority of whom have not sought treatment), may be at a less advanced stage in the addiction.
- In terms of prisoners being prone to having gambling problems, perhaps this is because prisoners typically evidence a constellation of maladaptive behaviors such as heavy smoking and drinking, drug use, suicide attempts, violence, psychiatric afflictions, etc.; uncontrolled gambling may simply be one of many self-destructive behaviors that are symptomatic of underlying psychopathologies.

- Crimes committed to support a gambling addiction vary between GA and incarcerated populations, which may indicate socioeconomic differences between the subgroups: GA and in-treatment problem gamblers typically report perpetrating "white collar" crimes that are nonviolent and involve a breach of trust, as opposed to prisoners, whose gambling-related deviance is more likely to include street crimes such as burglary, robbery, pimping, prostitution, selling drugs, and fencing stolen goods (Rosenthal & Lesieur, 1996).

Unlawful acts are so commonplace among addicted gamblers that they are included in the official criteria for "Pathological Gambling" in the DSM-IV (1994). Typically, the late-stage problem gambler faces overwhelming distress due to gambling losses and accompanying domestic and work strain. Caught in this vise, the problem gambler becomes agitated to the point where his/her judgment is affected. Whether or not the problem gambler resorts to crime is dependent on several factors, including: personal values, beliefs, and justifications; opportunity; likelihood of being caught; closing of available options; and the existence of threats (to self-esteem, finances, personal injury, etc.) (Lesieur, 2002).

The Australian-based Productivity Commission Report (1999) provides a comprehensive synthesis of various aspects of the problem gambling and crime linkage under the following headings:

- **Why do some problem gamblers turn to crime?** Generally, because they experience the following sequence of events: asset losses; accumulating debts; exhausting legal means of obtaining funds including drawing on savings and retirement funds; borrowing from family and friends; cash advances on credit cards; and loans from financial institutions or "loan sharks" until committing a crime becomes their only option.
- **What proportion of problem gamblers commits offences?** As noted elsewhere in this section, it depends on the sample of problem gamblers. There are different rates for the general population, prison inmates, those in treatment, and GA members—the rates range from a low of 11% for those in Australian population surveys with SOGS scores of 5+ to a high of 66% among GA members.
- **What crimes do problem gamblers commit?** They range from minor to serious crimes but are more likely to be non-violent property or breach of trust crimes such as forgery or embezzlement, versus violent crimes such as assault and armed robbery.
- **What happens to convicted problem gamblers?** It depends on the crime committed. Australian courts sentences are more lenient for white-collar crimes than for armed robbery and drug-related offenses even though the dollar amounts are often much higher in the first instance.
- **Problem gambling and loan shark borrowing.** Although the evidence is anecdotal, loan sharking is widespread in Australian casinos. Problem gamblers who avail themselves of this service generally exacerbate their

troubles because debts are magnified, as is the stress from worrying about not being able to repay the loan.

As to a possible causal relationship between problem gambling and criminal behavior, the American National Gambling Impact Study (1999) final report indicated that among those who had not gambled in the past year, only 7 percent had ever been incarcerated. In contrast, more than three times as many individuals (21.4%) who had been pathological gamblers at any point during their lifetime had been incarcerated. Brown (1987) believes that crime is unlikely to cause gambling, whereas out-of-control gambling may well lead to crime. Supporting Brown's argument is the fact that criminal activity invariably ceases once gambling addiction is under control. Dodes (2002) concurs with this line of reasoning in that he believes "the criminal activities of addicted gamblers are not the same as criminality, or sociopathy, in general" (p 208). This subtle distinction is based on individual motives; the fact that addicted gamblers are driven by any means to satisfy their urge to gamble and generally are not trying to take advantage of others should be reflected in their sentencing—an emphasis on treatment and rehabilitation versus simply locking them away.

Blaszczynski and Silove (1996) opine that because of our limited understanding of the incidence and extent of gambling-related criminal activity, the problem is likely more acute than we suspect:

> Arrest and conviction rates are inadequate [indicators] because gambling is not necessarily identified on conviction records as underlying the offence, and not all gambling-related offences are detected or offenders apprehended. Therefore, the true prevalence rate is likely to be underestimated (p 360).

Also, it is often family members, friends and employers that are the victims of problem gambling-related crime; in other words, people unlikely to press criminal charges, which means that many of the crimes and their impact on families and the economy are unaccounted for (Productivity Commission, 1999).

Another unknown in the problem gambling and crime equation is the cost to society. Various estimates include the following:

- Kindt (1994), referring to the state of Illinois, claims, "increased large-scale legalized gambling activities could precipitate fairly immediate increases to the state criminal justice system of 40 to 50 percent" (p 544).
- In analyzing the annual costs to society of untreated problem gamblers (this includes law enforcement, justice system and incarceration costs in addition to other costs such as therapy, unpaid debts, lost productivity, etc.). Politzer, Morrow and Leavey (1981) found that "bottomed-out" gamblers cost society $61,000 (US) over their past year of gambling and less severe problem gamblers impose an annual social cost of $26,000 (US).
- A recent, more conservative estimate of annual social cost per problem gambler determined in a study of South Carolina problem gamblers is

$6,300 (US) (Thompson and Quinn, 2000). By multiplying this figure with the estimated number of problem gamblers in the United States, the authors arrive at a nationwide annual social cost of $19 billion—a figure that exceeds the total tax revenues governments receive from the gambling industry in the United States.

4.4 Gambling Expansion and Increased Crime: Myth or Reality?

This section concentrates on the literature dealing with possible links between gambling expansion and community crime rates. In general, the academic research on the relationship between gambling and crime focuses on casino gambling and has produced equivocal findings (Hakim & Buck, 1989; Dombrink & Thompson, 1990; Ochrym, 1990; Kindt, 1994; and Thompson, Gazel and Rickman, 1996). Usually, these studies find a growth in street crimes after casinos open in a community. This research has been challenged, however, on the grounds that the increase in crime is not always statistically significant; there is no theoretical specification of a causal relationship between the availability of gambling and a community's crime rate; and per capita crime rates for permanent residents is a frequent measurement used, which excludes tourists (Miller & Schwartz, 1998). In the following sections we group studies according to their findings; that is, whether or not a link between gambling and crime is proposed.

4.4.1 Studies that Refute or are Ambivalent About a Connection Between Legal Gambling and Crime

In a *One-Year Review of Casino Windsor* prepared by KPMG Management Consulting (1995) for the Ontario Casino Corporation, Casino Windsor's impact on crime in the local community was considered minimal. Two factors that help to explain this finding are Casino Windsor's pre-emptive funding of 25 new full-time Windsor Police Department positions (double what Albanese, (1997) recommended in his pre-casino impact study) to work within a five-block radius of the casino and the fact that the vast majority of Windsor Casino patrons come from across the Canada-United States border, which is only two miles away.

Room, Turner, and Ialomiteanu (1999) surveyed adults in Niagara Falls before a destination casino opened in 1995 and a year after operations began. Prior to the casino opening, 77 percent of respondents predicted that the number of serious crimes in the community would increase; a year after the casino opened, only 44 percent thought this expected crime wave had actually happened. On the plus side, the casino did draw a high percentage of cross border players and did create jobs for its construction and operation. The new casino did, however, bring a higher rate of self-reported problem gambling. As is the case with the other two Ontario mega-casinos (Windsor and Rama), the Niagara casino provides funding for 25 police officers to patrol the casino area.

In a report entitled *Gaming Review—Expansion Options and Implications*, prepared by KPMG (1997) for the British Columbia Ministry of Employment and Investment, the authors claim "the fears of increased crime associated with expanded gambling have not materialized" (p 3). Goodman (1995) cautions readers to be wary of government commissioned reports done by private consulting firms on the prospects of gambling expansion. After reviewing many of these reports, Goodman (1995) commented on their general lack of objectivity: "The research was in fact often prepared just to support the positions of those who had already decided in favor of gambling expansion" (p 66).

The ultimate in unbalanced reporting of legal gambling costs/benefits is the Arthur Anderson & Company (1997) study done for the American Gaming Association. The authors admit at the outset that only benefits were examined, because in their view, costs are too hard to measure and tend to be anecdotal. Given Arthur Anderson's complicity in the recent Enron scandal, it appears that its research methods match its accounting practices.

In this vein of non-disclosure, a recent report prepared for The Fraser Institute (Basham & White, 2002) argues for the benefits of legal gambling in Canada, but in so doing, fails to acknowledge contrary-minded reports and articles. In analyzing possible ties between legal gambling operations and crime rates in Canada, Australia, United Kingdom and United States, only arguments supporting their position (that there is no serious link between legal gambling and elevated crime rates) are presented. As shown later in this section, numerous credible studies conclude the opposite; that easy accessibility to gambling stimulates crime. While the debate on this question has not been answered definitively (indeed, the purpose of this study is to further our understanding of this issue), one-sided arguments arouse suspicion about the authors' motives.

In a review commissioned by the American Gaming Association, Margolis (1997) sought to determine whether or not legalized casino gambling in the United States is associated with street crime and the extent to which organized crime has or has not gained a foothold in American casino operations. Margolis provides three major conclusions:

- That the previous research on crime and gambling is specious because it "has too often been marked by the use of anecdotal research, statistical sleight-of-hand and statistical distortions" (p 60).
- When the increased population is factored in, crime rates do not expand significantly after casinos are established in a community.
- Organized crime does not infect modern, regulated casino gambling, because it cannot. This is mainly due to "the comprehensive, extremely strict internal and external regulatory forces focused directly on publicly traded companies of the gaming industry" (p 59).

Margolis's findings have been challenged because of his American Gaming Association affiliation and on the grounds that he was registered on the Illinois Lobbyist List throughout most of the 1990s as representing "gambling interests such as Harrah's, Hilton, Caesars World, Circus Circus, and the Jo Daviess Riverboat Corporation" (Kindt, 2001, p 34).

Moore (1997) studied licensed card clubs in California to determine whether their existence contributed to increased crime in surrounding communities. Based on state and federal crime statistics and controlling for criminogenic factors such as poverty, population density, education, and percentage of minorities in the population, Moore concluded that legal card clubs were not associated with increased crime rates. In the discussion, Moore notes that loan sharking and money laundering probably occurs at these clubs but police data on these activities is either nonexistent or so poor that the connection cannot be empirically substantiated. Reasons given for legal card clubs not promoting an increase in crime include; (1) in order to attract repeat customers, the clubs have a monetary incentive to ensure that a safe environment is provided, and (2) clubs failing to discourage criminal activity on their premises, face the prospect of losing their valuable licenses.

Reporting on the impact of casino gambling on white-collar crime, Albanese (1999) found that casino gambling did not contribute significantly to the incidence of embezzlement, forgery or fraud. His results are based on the following data sources:

- Trends in embezzlement, forgery and fraud both before and after the introduction of casino gambling in nine of America's largest casino gambling jurisdictions.
- Embezzlement, forgery and fraud arrest trends in two comparable jurisdictions without casinos.
- Comparison of these casino city-by-city trends with national trends in embezzlement, forgery and fraud during the previous decade.
- Content analysis of newspaper articles mentioning embezzlement and gambling over a ten-year period.
- Assessment of the reasons offered by convicted embezzlers to determine the extent to which, if any, gambling was a causal factor.

Not only did the Albanese (1999) study not discover a connection between white-collar crime and the presence of a casino in a community, he found that arrests for forgery (-27%) and fraud (-12%) decreased in casino jurisdictions between 1988 and 1996 compared to nationwide increases in forgery (+21%) and fraud (+25%). Despite the powerful conclusions, again we offer the caveat that Albanese's study was funded through a grant from the American Gaming Association.

Several scholarly articles were generated from a National Institute of Justice grant awarded "to study the effects of casinos on crime and quality of life in new casino jurisdictions" (Stitt, Nichols, & Giacopassi, 1999; 2000). Data for these studies emanate from seven U. S. jurisdictions chosen because each initiated casino gambling in the 1990s and had been operating for at least four years. In addition to examining the impact of casinos on crime rates, the authors considered the effect of casinos on social and economic indicators such as suicide and divorce occurrences, perceptions of problem gambling, bankruptcies, and community satisfaction.

In terms of casino effects on crime rates in the seven jurisdictions, the results were inconclusive; that is, in comparing before and after casino crime rates, the number of crimes increased significantly in three communities, decreased significantly in three others and showed no change in the seventh location. Two crime categories that did show an upswing across the study were burglary and drug violations. Survey data showed that community residents perceived that casinos contributed to higher crime rates; whereas, community leaders held the general belief that casinos improved the area's quality of life and boosted the economy. Given the inconsistencies between jurisdictions the authors conclude that the effects of casinos on a community are complex, varied, and dependent on variables such as tourism, which were beyond the scope of their study.

In studying the connection between riverboat gambling and crime in two Indiana towns, Wilson (2001) found that the existence of casinos in one town did not appreciably increase crime, whereas, in the second casino town, aggravated assaults and thefts rose after the casino opened. Overall, Wilson maintains that the Indiana riverboat casinos had an attenuated effect on crime; that is, crime rates went up with the advent of casinos, but not to the extent expected based on predictions in the academic literature.

The Australian Institute for Gambling Research (2001) examined the community impacts of new casinos in Christchurch and Auckland, New Zealand. The following issues were addressed: (1) changes in crime rates from pre- and post-casino openings, (2) the impact of casinos on illegal gambling, (3) impacts on law enforcement, and (4) public perceptions of casino impacts. The main finding was the comparatively low levels of crime found within and around the two New Zealand casinos. Suggested reasons for this finding include the following:

- Effective regulatory, surveillance and management structures in the casinos,
- Both casinos were located in well serviced areas which previously had low to moderate crime levels, and
- The strict application of high dress standards in the Christchurch casino.

Despite a lack of evidence linking the two New Zealand casinos and increased crime rates, the public perception of this issue was one of wariness; Auckland (24.8%) and Christchurch (19.6%) residents thought the casino resulted in more crime, and a significant portion of respondents were unable to decide whether or not the casinos impacted on crime—Auckland (36.1%) and Christchurch (34.5%).

4.4.2 Studies Linking the Availability of Legal Gambling With Crime

Much of the impact research on this topic has compared crime statistics pre-and-post the implementation of new gambling formats. For example, Sternlieb and Hughes (1983) found that after casino gambling came to Atlantic City in 1978, pick pocketing increased eighty-fold, larceny went up five times, while robberies and assaults tripled. Also, focusing on Atlantic City crime data, Hakim and Buck (1989) noted the "greatest post-casino crime increase was observed for violent crimes and auto thefts and the least for burglaries" (p 414).

A review of the social and economic impacts of casinos in two Colorado mountain towns indicates an increase in serious crimes after casino gambling was legalized in 1991. Two years after the onset of casino gambling, total arrests jumped by 306 percent

(Stokowski, 1996), while the arrest categories showing the most growth were larceny and theft offenses, motor vehicle theft, and drunk driving. "The percentage of arrests for narcotics and drug offenses, assaults, disorderly conduct, forgery, and fraud increased as well" (Stokowski, 1996, p 209). In explicating her findings, Stokowski speculates on possible alternative reasons for the burgeoning crime rate besides the implementation of casino gambling; these possibilities include "larger and more vigilant police staffs, more tourists visiting the communities, and the flow of larger amounts of money" (p 209). Another consideration was that crime rates in general might have risen across Colorado. This premise was rejected by Stokowski's (1996) analysis which showed the opposite had occurred; that is, total state offences and arrests declined after casino gambling arrived in 1991, except in the mountain towns containing casinos where the crime rate went up. Stokowski's study establishes links between casino gambling and higher crime rates but does not categorically settle the question of whether casino gambling causes increased crime, or whether increased crime near casino venues is mainly a consequence of more tourists being in the area.

A recurring theme in crime and gambling studies is the extent to which visitors may or may not cause crime rates to rise; in other words, are the high crime rates associated with some gambling locations due to easily accessible gambling, the influx of tourists, or a combination of the two? Gambling proponents contend that high crime rates in some casino locations are due mainly to visitor traffic; they maintain that crime may have shot up after casinos opened in Atlantic City, but so did crime in Orlando after Disney World opened. The so-called "Disney World" thesis is challenged by FBI uniform crime reports cited in a Pennsylvanians Against Gambling Expansion (1997) report which showed that between 1977 and 1990 FBI per capita crime rates increased by 53% in Orlando and 235% in Atlantic City. The report goes on to suggest that it is immaterial whether or not crimes are related to tourist traffic; it gives little solace to the victim of a mugging that the guy who robbed him at gun point was a visitor. This is a critical issue because the highest concentrations of gambling opportunities are found in international tourist destinations such as Las Vegas, Atlantic City, and Monte Carlo (Smith & Hinch, 1996). More visitors to an area are likely to increase the crime rate because tourists are both potential victims and perpetrators of crime, and crime rates are based on the resident population. Crime rate data on residents and visitors are unavailable because official statistics on the number of tourists and their reasons for visiting are seldom kept.

The Montana Legislative Services Division commissioned a study by Polzin et. al. (1998) that employed two statistical tests to determine the relationship between crime and gambling. In the first instance, Montana cities were matched with comparable sized cities in bordering states where gambling was less accessible. Secondly, crime rates in Montana counties were compared on the basis of their per capita gambling expenditures. In general, the study indicated "while gambling may cause an increase in certain types of crime, Montana's overall crime rate increase is not any higher than the increases in matched cities with little or no illegal gambling" (p 29). In terms of the intra-state county analysis, however, a higher per capita spending on VLTs correlated in a statistically significant manner with burglary, larceny-theft, robbery, vandalism, driving under the influence, and weapons offenses. The report estimates that for every $1 million increase in VLT expenditures there is a corresponding cost of $32,500 to the state judicial system. This figure is considered ultra conservative "because it is based on reported crimes which represent less than half of the serious crimes that actually occur" (p 32).

A study that challenges Margolis's arguments and makes a causal connection between the presence of casino gambling in a community and higher crime rates, is that generated by Grinols, Mustard, and Dilley (1999) as part of the research sponsored by the American National Gambling Impact Study Commission. Grinols and his colleagues address a limitation of previous research on the topic by introducing theory-based hypotheses as to why casino expansion should either reduce or increase crime rates in the surrounding area. For example, two suggested ways that casino expansion could lower crime rates are by "improving legal earning opportunities" and "indirectly through other effects of economic development" (p 4). Conversely, the authors posit that the presence of casinos could increase crime by hindering economic development, drawing tourists who may commit or be the victims of crime, attracting an unsavory element seeking to benefit from the convergence of gamblers and free flowing cash, and because of the crimes that are inevitably committed by a portion of problem gamblers.

After comparing crime rates (FBI Index I Offenses—violent crimes and property crimes) from 1977 to 1996 in United States counties with casinos to casino-free counties and conducting a pre-and post-casino analysis of crime rates in counties with casinos, Grinols et al. conclude that, on average, counties with casinos have an 8% higher crime rate than do counties without casinos. The report also shows that the impact of casinos on crime begins about three years after a casino's introduction and increases over time. The authors project there would be an additional national crime-related social cost of approximately $12 billion if every county in America had a casino.

In a Wisconsin-based study investigating the relationship between casino gambling and crime, panel data for all Wisconsin counties from 1981 to 1994, including data from before and after the inception of casino gambling, were examined (Gazel, Rickman & Thompson, 2001). During the period of analysis, 17 Native American casinos opened in 14 counties throughout the state. A general finding from the study is that the existence of a casino in a county leads to an increase in the county's crime rate. Moreover, there is a strong "spillover effect;" in that, counties adjacent to casino-counties also experience higher crime rates.

Crime categories that significantly increased after the Wisconsin casino-openings include: non-robbery violent crimes (primarily aggravated assaults) and auto thefts. Arrests for other offenses were also statistically linked to the opening of casinos, "specifically, the largest effect occurred for the category that consisted of fraud, forgery, embezzlement and possessing stolen property" (Gazel et al., p 74). The authors contend that these findings can be generalized to other American jurisdictions because "the nature of gambling in Wisconsin is quite typical to that found in almost all casino states" (p 74).

Two recent newspaper accounts have linked expanded gambling and higher crime rates. The Toronto Globe and Mail wrote that since March 9, 2000 when the Ontario government installed 1,752 slot machines at the Woodbine Racetrack, crime rates in the near vicinity rose by 27.4% (Abate 2002). The article went on to quote a police spokesperson that claimed an additional 18 officers were required to work the Woodbine area to handle the increased crime that is fallout from the expanded gambling.

A series of articles on the social and economic impacts of gambling expansion in the Louisville Courier-Journal attributes the rising number of embezzlements and bank robberies to the 1998 arrival of casino gambling in the region (Schneider, 2002). According to police and prosecutors interviewed for the articles, a decade ago very few criminal cases for embezzlement and fraud were linked to gambling debts. And, while gambling cases still represent a small portion of the overall caseload in Louisville, the docket now regularly includes charges of theft and embezzlement against individuals authorities later learn used the money to support a gambling habit.

Research on gambling and crime outside of North America has emerged mainly in Australia, Britain and Germany. Australia has a reputation for being the most gambling-oriented nation in the world (Doley, 2000). Concern about the wide variety of gambling options open to Australians has led to scholarly investigations of gambling's social and economic impacts, including the hypothesized link between gambling and crime. In her paper on recent trends in gambling and crime, Doley (2000) discusses the nature and extent of offending among problem gamblers and comments on the sequence of events that contributes to some problem gamblers' criminal behavior. The Productivity Commission (1999) reports that between 30 per cent and 70 per cent of Australian problem gamblers (depending on the survey) have engaged in criminal acts and Blaszczynski (1994) maintains that up to 13 per cent of these high-risk gamblers wind up with a jail sentence. As is the case in North America, most problem gambling-related crime in Australia has to do with non-violent property offenses such as forgery, shoplifting, fraud, embezzlement, and drug sales and distribution (Doley, 2000). Financial distress drives most problem gamblers who commit crimes; however, since many problem gamblers in a similar predicament do not commit crimes, it may be the added dimension of a psychiatric disorder that precipitates the criminal activity (Blaszczynski, 1994).

A study conducted by Melbourne-based Monash University's Centre for Criminology & Criminal Justice (2000) assessed the collection and evaluation of crime statistics related to gambling behavior. The following five research questions guided the inquiry:

- What is the extent of gambling-related crime and, in particular, crimes attributable to problem gamblers?
- What types of criminal offenses do problem gamblers commit?
- How is gambling-related crime monitored, addressed operationally and recorded in official statistics?
- How are gambling-related offenses known and officially recorded by the courts?
- To what extent are correctional officials aware of incarcerated gambling-related offenders?

Data for this investigation came from police, court system and correctional services records. A key finding was that the existence and extent of gambling-related crime in the state of Victoria remains relatively obscure due to the lack of comprehensive methods in any of the three criminal justice system areas for systematically capturing or recording these offences. The state of Victoria criminal justice system's inadequate documentation of gambling-related crime prevented the researchers from providing reliable answers to questions one and two. The study, instead, focuses on the last three questions; through a series of consultations with the police, court representatives, corrections officials, problem gambling support agencies, and gambling industry groups the current procedures for recording gambling-related crime were analyzed and suggestions provided for collecting more valid and reliable data. The main recommendation was for the police, as a matter of course, to attempt to determine if an occurrence is gambling-related and/or whether or not the suspect has a gambling problem. If either, or both of these conditions apply, the officer would then attempt to discern the suspect's motivation and complete a checklist relating to the suspect's gambling proclivities (e.g., favorite games, frequency of play, spending patterns, as well as personal characteristics). This proposal is similar to the "Gambling Occurrence Report" (GOR) devised for this study. While this reporting format would yield valuable data if conscientiously and uniformly administered, it carries the drawback of relying on the suspect's self-admission.

A recently completed Australian crime and gambling study by Crofts (2002) stands out for its comprehensiveness and original methodology. Crofts examined New South Wales court records from 1995-1999 to find a cross section of gambling-related property offences. To be included in the sample, a "problem gambler" must have committed a property crime (i.e. to support a gambling addiction); the offender must have been charged and found guilty; and there had to be sufficient information in the file to show that the offender's gambling behavior was relevant to the commission of the crime. Upon a review of 2,779 files, 63 cases met the stringent criteria for inclusion. Crofts explored the relationship between gambling and crime by going beyond superficial official statistics and probing these 63 cases in detail. Included in her analysis were factors such as how the crime was related to gambling; the personal characteristics of the offenders; the offenders preferred gambling formats and spending patterns; and offenders' problem gambling histories and predisposing indicators. In addition, Crofts estimates the costs associated with gambling-related property crime in the following categories:

- Amounts stolen
- Job change
- Spending money
- Debts
- Loan sharks
- Selling property
- Impact on relationships
- Depression and/or suicide
- Imprisonment

Key findings from Crofts (2002) study include:

- Because of incomplete police and court files and assorted other factors there is an underestimation of the relationship between gambling and crime in New South Wales.
- "Focusing specifically on problem gamblers, rather than the general population, points more clearly to a causal relationship between problem gambling and the commission of a crime" (p 51).
- Gambling, rather than an anti-social personality, was the main motivation for the commission of a crime.
- The preferred gambling formats of problem gambling criminal offenders were electronic gambling machines, casinos and betting on horse races, either live or off-track.
- For most of the subjects, accessibility to gambling products was instrumental in introducing them to gambling and sustaining their gambling habits.
- The majority of subjects chose gambling as a means of coping with negative affective states.
- The costs and losses associated with gambling-related crime were huge for problem gambling criminal offenders individually, their families, and society at large in terms of lost homes, jobs, property, and relationships; significant amounts of money stolen; and societal costs reflected in areas such as treatment for problem gamblers and criminal justice system expenses.

A British study examining the connection between fruit machine (slot machines that can be played legally by children and adolescents) play, addiction and crime, found that 4% of the yearly juvenile crime total in Plymouth (South West England) had a connection between the offence recorded and machine playing (Griffith & Sparrow, 1998). Of the 72 cases involving fruit machine gambling, the offenders were predominantly male and the majority of cases involved theft or burglary.

European studies on crime and gambling are centered in Germany and are psychologically oriented; for example, the focus is on the criminal behavior of addicted gamblers and the extent to which criminal culpability can be diminished if the offender is classified a pathological gambler by mental health experts (Meyer, Fabian & Peter, 1995; Meyer & Fabian, 1996; Meyer & Stadler, 1999). Interviews with 132 German problem gamblers undergoing therapy revealed that 70% had committed illegal acts to obtain money for gambling purposes, 20% were sentenced due to gambling-related crimes, and 5.2% served prison sentences lasting an average of 32 months (Meyer, Fabian & Peter, 1995). Meyer and Stadler (1999) conclude that addicted gambling behavior is a significant criminogenic factor; especially so, in combination with personality traits such as impulsivity and anti-social personality disorders, and that treatment for criminally inclined problem gamblers is a preferred option over incarceration because the ubiquity of gambling in prisons is likely to exacerbate the gambling addiction.

5. Policing and Regulating Gambling-Related Crime

An interesting phenomenon related to the study of gambling and crime is that, as legal gambling expands, fewer arrests are made for illegal gambling offences. American crime statistics show a rapid and sudden decline in charges related to illegal gambling; from 41,200 arrests in 1982 to only 18,500 in 1994 (Siegel, Jacobs & Landes, 1996). This drop in illegal gambling-related arrests occurred during a time when the overall number of arrests was rising; the 18,500 arrests in 1994 represent one-eighth of one percent of the total arrests that year. Statistics Canada records for 1997 show only 421 police-reported illegal gambling offences nationwide. On the surface, it seems improbable that illegal gambling offences would diminish as the scope of legal gambling expands. A likely reason for this incongruous finding is that illegal gambling has become a low priority for both citizens and police. Issues pertaining to the perfunctory monitoring and control of legal and illegal gambling in western Canada are addressed by Smith and Wynne (1999) and include the following:

- The widespread availability of legal gambling has erased the moral stigma previously associated with the activity and resulted in the statutory prohibitions against gambling not being rigorously enforced.
- The relaxed attitude toward illegal gambling violations has meant fewer law enforcement gambling specialists who are proficient at conducting gambling investigations and providing expert testimony in court.
- Illegal gambling investigations are often costly and labor intensive; in the rare instance when they do go to court, the infractions are treated leniently by the judicial system.
- Because municipal police services lack the resources and motivation to control illegal gambling operations, provincial gaming regulatory agencies (staffed by former police officers) are starting to appropriate a basic law enforcement mandate.
- Individuals with specialized training in gambling investigations are leaving law enforcement positions to become gaming regulators/investigators and are not being replaced. This has resulted in an expertise imbalance and has "created a 'retirement Mecca' for former police officers" (Campbell, 1992, 248).

For the above noted reasons, there are gaps in gambling law enforcement that can be exploited by enterprising criminals and few meaningful deterrents to curb illegal gambling operations; the likelihood of arrest is minimal, and when there are convictions, the penalties are light. A notable exception to this enforcement trend is the Ontario plan devised to combat illegal gambling. In 1996 the Ontario Provincial Police were authorized to oversee a coordinated enforcement initiative to deal with organized crime involvement in illegal gambling. The resulting Ontario Illegal Gaming Enforcement Unit (OIGEU) is a consortium of eight Ontario Police Services that furnish resources to counter organized crime activities. OIGEU's mandate is to conduct province-wide investigations into illegal gambling by providing investigative expertise, case management, proceeds of crime capability, and expert testimony. The funding for OIGEU comes from lottery and gaming revenues allocated to the Ministry of the Solicitor General and Corrections. By being accountable to this ministry, the unit is independent from the government's gaming policy and regulation bureaus. Law enforcement officials frequently cite the Ontario model as Canada's most effective means of containing illegal gambling (Smith & Wynne, 1999).

5.1 Crime Prevention Measures Related to Casino Gambling

Some communities have found that prudent planning and increased police surveillance can limit the crimes associated with the presence of casinos. For example, Mississippi legislators had the foresight to mandate that 20 per cent of the casino revenues returning to the community be used to augment local public safety budgets (Moffett & Peck, 2001). In Biloxi Mississippi, nine dockside casinos have sprung up since 1992. Initially, crime rates increased corresponding with casino growth, however, the new gambling revenues allowed the police department to triple its budget thus facilitating the hiring of additional officers at higher starting salaries. Biloxi police officials also had a voice on local boards and participated in discussions with planners, developers, and representatives of local government, which helped to address crime concerns. While recognizing that some crime is fundamental to casino gambling, the FBI recommends the Biloxi approach as a sensible way to protect local residents and tourists who visit destination casinos (Moffett & Peck, 2001).

Thompson (1988) suggests that North American casinos adopt European practices as a way of reducing gambling-related crime. He attributes the markedly lower crime rates associated with European casinos to the following conditions:

- A no-credit policy along with strict cheque cashing rules.
- A low-key ambience—generally, European casinos offer fewer gambling formats and a restricted number of tables. European casinos also have windows, conspicuous clocks, and stringent rules about liquor consumption.
- European casinos exist to serve a community interest; that is, they are expected to participate in community betterments such as sponsoring orchestras, keeping up public grounds, and supporting recreation initiatives.
- As opposed to the open-entry policy of North American casinos, European venues have registration desks where prospective patrons may be asked for passports, proof of age, and occupational status. Often an admission fee is charged and a dress code enforced. These rules are aimed at excluding undesirables such as pickpockets, prostitutes, loan sharks, and compulsive gamblers.
- Casino employees in Europe typically aspire to careers in the gambling industry and many stay with the same company for the duration of their working lives. Consequently, casino employees tend to be loyal and customer-service oriented because personal success is tied to the casino's viability. The two-way allegiance between casino management and staff reduces the likelihood of employee theft and cheating scams.

Thompson's reflections were made over a decade ago. Subsequently, European casinos have been Americanized to the extent that new casinos tend to be larger, feature a wider array of gambling formats and, in some cases, have relaxed admission requirements.

Based on Thompson's thesis, one would expect higher crime rates in and around the newer European casinos. While possibly the case, no empirical studies have examined this purported relationship.

6. Criminological Theories and Gambling-Related Crime

This section reviews criminology theory for the purpose of identifying plausible explanations for gambling-related crime. In essence, what does criminology tell us about the nature of the crime and gambling nexus? Does gambling cause crime, contribute to crime or is it inconsequential to crime? To what extent does criminological theory improve our power to predict gambling-related crime? Numerous attempts to systematically study the causes and correlates of crime have shown there is no single theory that accounts for all criminality. It is important to note that the theoretical approaches are not necessarily distinct, they may, in fact, be complementary and amenable to integration.

Criminology typically distinguishes different levels of explanation with respect to any criminal behavior. These levels have been identified as the individual, the interactional, and the social structural. The individual level of explanation focuses upon characteristics of individual persons that contribute to their behavior, including criminal behavior. Examples would include genetically inherited predispositions, intelligence level, or personality defects. The interactional level examines the social relationships within which individuals interact with others, particularly those significant to the individual. Classic examples include peer and family relationships. The social structural level studies the impact of various societal forces that can affect the amount and distribution of crime in a society. For example, unemployment rates or the degree of income inequality in a society may contribute to the overall crime rate of a society and its concentration within certain segments such as inner city, poverty stricken neighborhoods.

These different levels of explanation are as pertinent to gambling-related crime as to other forms of criminal behavior. At the individual level, the focus would be upon the individual, who engages in gambling-related crime, seeking, for example, to explain why certain individuals engage in illegal gambling or why others commit crimes to support their gambling addictions. It may be that certain individuals have inherited and/or developed psychophysiological characteristics that cause them to seek excitement and engage in high-risk behaviors. Others may be relatively immune from learning from the consequences of their behaviors. At the interactional level, some persons fail to acquire social bonds to conventional society that can act as a constraint on their behavior, freeing them to participate in illegal gambling or to commit other crimes to support a gambling habit. Others develop social relationships that revolve around illegal activity, which may include illegal gambling or crimes associated with legal gambling venues, such as money laundering or drug sales. Finally, at the structural level the explanatory questions would examine, for example, the over-representation of certain segments of society in illegal gambling activity or the distribution of certain crimes in areas where legal gambling venues are concentrated. The issues here revolve around the cultural values and/or social supports of certain groups that encourage and facilitate illegal gambling; the demographic and social characteristics that are related to higher rates of gambling-related crime; and the characteristics of city areas that may facilitate and/or attract such gambling-related crimes.

Before reviewing several theoretical perspectives in criminology that may help explain illegal gambling and gambling-related crime, it is useful to distinguish a few key categories of gambling crime offences and offenders since it is likely that specific explanations are more applicable to some kinds of crimes and criminals than to others. We first distinguish among illegal gambling (gaming and betting offences); "ordinary crimes" related to gambling activity (e.g., fraud, embezzlement, family violence); and "ordinary crimes" related to gambling venues (e.g., drug deals, money laundering, loan sharking). With respect to offenders, the following categories are likely to involve somewhat different explanations: "problem" or "addicted" gamblers; "career" and "petty" criminals; those involved in "organized" crime; and conventional, law-abiding individuals who gamble illegally. Obviously, these categories are not mutually exclusive since a given offender could belong to more than one such category; and a given "type" of offender could commit more than one of these types of gambling crime. Table 2 depicts crime categories and likely types of offenders and is used as an organizing tool for applying the various criminological theoretical perspectives.

TABLE 2
Gambling-Related Crime

	TYPES OF OFFENDERS			
	Problem	**Career/Petty**	**Organized**	**Conventional**
Illegal Gambling	May or may not partake in depending on accessibility and format (e.g., Internet gambling is likely to exacerbate problem gambling).	Frequenting illegal card clubs, pool halls, etc. (part of deviant life-style).	Ownership, control, or partners in illegal gambling operations.	Betting with bookmaker, playing at an illegal card club.
Gambling-related ordinary crime	Fraud, forgery, embezzlement, theft, domestic violence, and suicide.	Drug dealing, fencing stolen goods, cheating at play, theft, money laundering, and fraud.	Money laundering, drug dealing, loan sharking, extortion, assault, and homicide.	Unlikely to be involved.

6.1 Individual and Interactional Theories

Conventional, generally law-abiding individuals who engage in illegal gaming and betting offences (e.g., sports betting, card games, etc.) are likely following a rational choice model of behavior. This perspective argues that individuals make rational choices in their behavior expecting to maximize their "profits" or benefits and minimize the costs or "losses." These benefits may be social and/or psychic as well as economic. Decisions are based upon the individual's expected effort and reward compared to the likelihood and severity of punishment and other costs of the criminal behavior (Cornish and Clarke, 1986). Individuals choosing to engage in such activities as illegal sports betting or card games, according to this perspective, have made a rational choice that the benefits or rewards anticipated from these activities sufficiently exceed the risk of legal and informal punishment and other costs to justify pursuing these behaviors.

Social learning theory is probably also applicable to an explanation of the illegal gaming and betting activity of conventional, generally law-abiding individuals. Social learning theory claims that criminal behavior is learned according to the same general principles of learning that apply to all behaviors; only the content of the learning is different. Criminal behavior is acquired, repeated and changed by the same process as conforming behavior (Akers, 1997). Thus criminal acts are learned both through direct experience of their consequences (positive and negative reinforcement), as well as through imitating the behavior of models (Akers, 1985). This learning process will more likely produce criminal than conforming behavior when individuals associate with others who expose them to deviant patterns of belief and behavior, when criminal behavior is differentially reinforced over conforming behavior, when individuals are more exposed to deviant than conforming models, and when their own attitudes favorably dispose them to commit criminal acts (Akers, 1997). Applying these concepts to illegal gambling and betting, it is quite probable that individuals engaging in these behaviors have initially been exposed to them through the conduct of parents and/or peers. Through observing their gambling activity and the psychic, social and material rewards they thereby obtained, individuals acquire positive dispositions toward these illegal activities. If they find themselves in situations conducive to actually engaging in these activities, they are then more likely to do so. The consequences they experience as a result of their illegal gambling will influence the likelihood of their continued involvement in these behaviors.

The rational choice model is also germane to the operators of illegal gambling and betting establishments. These individuals are best seen as business entrepreneurs providing a sufficiently desired but illegal service. They have made a rational business decision that the profits to be attained from these crimes are high enough to justify the risk involved in providing the illegal service. A similar rationale would apply to so-called "organized crime" involvement in these activities. Deterrence theory argues that increasing the costs of such conduct, particularly through enhanced certainty and severity of legal punishment, should inhibit "rational actors" from continuing to supply these services or for "conventional" individuals to partake of them (Zimring and Hawkins, 1973). However, the legal penalties must be perceived to be sufficiently certain (most important) and severe to offset the profits anticipated from these illegal behaviors. Such "tipping points" are likely much higher for the operators and organized criminals than for the more "conventional" participants in these types of illegal acts, but informal sanctions (e.g., social disapproval from significant others) are more effective for the latter.

While the rational choice perspective may also help explain the involvement of so-called "career" and "petty" criminals in illegal gambling and betting offences, aspects of social learning theory also seem particularly cogent. These individuals are likely to be caught up in a deviant peer group that encourages and rewards participation in these, as well as other types of illegal acts, as part of a particular life-style. Such behavior may help define membership in such deviant peer groups and the positive reinforcement received from other members serves to perpetuate such activity.

Social learning theory also applies to the habitual or addictive illegal gambling of "problem gamblers." That is, their repetitive participation in illegal gambling and betting activity may result from the same processes of acquisition, performance and repetition of behavior described above for conventional gamblers. What distinguishes so-called "problem" gamblers, then, is the frequency or extent of their involvement in illegal gambling and betting rather than the processes or mechanisms by which they became involved. It is important to recognize that there may be a fine line distinguishing the illegal gambling/betting of "problem" gamblers and at least some "conventional" gamblers.

Some would argue that both the illegal gambling and gambling-related crimes (e.g. fraud, theft, etc.) by so-called "problem" or "addicted" gamblers are the product of personality problems or character defects of one kind or another. These have been attributed to abnormal emotional adjustments resulting primarily from certain negative early childhood experiences such as severe neglect or abuse. However, these personality defects may also involve psychophysiological abnormalities with their source in some combination of genetic and environmental factors. One version of this type of explanation of criminal behavior regards it as the expression of such traits as impulsiveness, aggressiveness, sensation seeking, rebelliousness, hostility, and so on (Akers, 1997). These traits, in turn, would be manifest in the illegal gambling and gambling-related crime of "problem" gamblers.

In contrast to many such personality trait explanations, Gottfredson and Hirschi (1990) developed an interactional theory of crime based upon the concept of self-control. They argue that individuals have a differential tendency to avoid criminal acts whatever the circumstances in which they find themselves. Individuals with high self-control are much less likely to ever engage in crimes while those with low self-control are more likely to commit crimes. However, Gottfredson and Hirschi recognize that circumstances or opportunities affect the likelihood that low self-control will result in criminal acts, although they do not specify the precise nature of these circumstances. These authors locate the source of low self-control in ineffective or incomplete socialization, especially ineffective child rearing by parents; and claim that the amount of self-control acquired in childhood remains relatively stable throughout the person's life (Akers, 1997). Additionally, Gottfredson and Hirschi argue that low self-control explains not only crime but also such "analogous behavior" as smoking, drinking, drug use, illicit sex and accidents. From this perspective, then, both "problem" gambling and gambling-related crime/illegal gambling result from low self-control resulting from poor early socialization.

Self-control is related to the more general concept of social control. A number of control theories of crime (e.g., Reiss, 1951; Nye, 1958; Hirschi, 1969) have been developed that share the general assumption that individuals conform to the rules of society because various controls prevent them from violating these rules (Akers, 1997). Hirschi's (1969) social bonds theory is the most prominent of these control theories, arguing that crime results when an individual's bond to society is weak or broken. There are four components of this bond: attachment, commitment, involvement, and beliefs. Attachment involves close ties to significant others whose opinions and expectations are valued; commitment refers to an individual's investment in conventional behavior–or "stake in conformity" (Toby, 1957)–that would be jeopardized by crime; involvement refers to participation in conventional activities that consume an individual's time; and the concept of belief is defined as the endorsement of conventional values and norms, especially the belief that laws and society's rules in general are morally correct and should be obeyed (Akers, 1997). These four components are interrelated such that the collapse of one will be accompanied by strain on the others. The weaker these bonds or ties to others and to society's institutions, the more likely it is that the individual will engage in law breaking behavior. Thus gambling-related crimes committed by "problem" gamblers would result from a weakening of one or more of these social bonds. For example, a "problem" gambler who has not established close, affective ties with significant others–such as a spouse, employer or fellow employees--has few if any other legitimate leisure time pursuits than gambling, and/or who is under/unemployed or has low occupational aspirations is at greater risk of turning to criminal behavior in an attempt to deal with financial or interpersonal problems resulting from his or her excessive gambling. Control theories, then, emphasize the breakdown of social controls rather than the strength of the motivations to explain the occurrence of criminal acts.

The discussion above has focused upon the individual and interactional levels of analysis, indicating how particular criminological theories may explain involvement in illegal gambling and betting by several categories of gamblers, as well as the gambling-related crimes of "problem" gamblers. An additional issue relevant to this report concerns the geographic distribution within city areas of illegal gambling activity and other criminal behavior that may be related to the characteristics of locations, particularly the presence of legal gambling venues. For example, thefts from motor vehicles may be related to the location of large legal gambling venues such as racetracks, bingo halls and casinos, at least in part because of their parking lots with large numbers of cars. Or illicit drug sales and money laundering may cluster in and around these same gambling venues. Illegal gambling behavior and its venues may be related to certain demographic and/or social characteristics of city areas. For example, they may be positioned in areas with high concentrations of particular ethnic groups.

6.2 Structural Theories

Criminological theories, particularly those that focus on the individual or interactional level of analysis, emphasize criminal motivations: those individual characteristics or social factors that push people toward committing criminal acts. However, these motivations do not, in and of themselves, explain the occurrence of crimes; it is also necessary that potential offenders encounter opportunities that allow these criminal inclinations to be expressed in overt acts (Sacco and Kennedy, 1994). Several varieties of opportunity theory have arisen in an attempt to explain how variations in the levels of crime from place to place or over time are related to variations in the opportunities to commit crime. Routine activities theory (Cohen and Felson, 1979) seems particularly well suited to explaining the physical location of these crimes. The main proposition of this theory is that the likelihood of a crime occurring is increased when there is a convergence in space and time of a motivated offender, a suitable target, and the absence of formal or informal guardians who could deter the potential offender. This convergence is related to the normal, legal, "routine" activities of individuals; and the spatial and temporal structure of these routine activities play an important role in determining the location, type, and quantity of illegal acts (Cohen and Felson, 1979, p 590). Routine activities are recurrent and prevalent activities that provide for basic population and individual needs and include formal work as well as shelter, social interaction, leisure activities and so on. How individuals carry out these activities, then, affects the probability of convergence at particular locations and times of one or more persons motivated to commit a crime, the availability of a suitable target or potential victim, and the presence or absence of formal (e.g., the police) and informal guardians who might deter the potential offender.

While originally formulated to apply to direct contact, predatory offences such as robbery, personal theft, and assaults, Felson (1994) has extended the theory to such offences as illegal consumption of alcohol and drug sales. So, it seems probable, that the theory could also be applied to illegal gambling, as well as certain gambling-related crimes. As evidenced by the times and places at which crimes occur, leisure activities, in particular, provide important opportunities for criminal events of various types (Sacco and Kennedy, 1994). In general, leisure behavior can be part of a risky lifestyle that has dangerous consequences (Kennedy and Forde, 1990). A large number of personal victimizations occur during the evenings and weekends, and disproportionately in leisure settings such as taverns and the city blocks in which they are located (Luckenbill, 1977; Roncek and Maier, 1991). Gambling venues such as casinos and taverns/restaurants with VLTs and their immediate environs are leisure locations that may attract a higher proportion of the criminally motivated while also being informal social settings where many of the usual social controls are less operative. They also present a number of suitable targets in the form of concentrations of other persons who are potential victims of crimes such as theft or violence, as well as the venues themselves as sites for drug dealing, money laundering, frauds and so forth.

6.3 Summary

The purpose of this chapter was fourfold: (1) to expose readers to recent trends in Canadian and Alberta gambling-related crime, (2) to identify the salient features of gambling-related crime, (3) to synthesize the academic literature on gambling-related crime, and (4) to highlight criminological perspectives that explain and interpret gambling-related crime. In the next chapter we specify the methods and data collection procedures used in the study.

CHAPTER III
RESEARCH METHODOLOGY

This is a preliminary, descriptive study of gambling-related crime in the City of Edmonton during the period January 2001 to August 31 2002. To guide the inquiry, a set of nine research questions in two domains were posited and the data requirements and collection methods necessary to address these questions are presented below.

A. The Nature and Scope of Gambling-Related Crime

1. What is the magnitude of gambling-related crime?
2. Which legal gambling formats are most often associated with criminal activity?
3. Which criminal activities are typically associated with gambling?
4. What types of crimes are committed in and around gambling venues?

Data required	Collection methods
• Gambling-related crime occurrences investigated by the EPS and AGLC in the City of Edmonton for the period January 1 2001 to August 31 2002. • Crime occurrences at gambling venues investigated by EPS and AGLC officers or venue security personnel.	• A research assistant conducted a review of selected "violation/incident" crime occurrence files located in the EPS central records department. He also reviewed a summary printout of AGLC investigations files for the period January 1 2001 to December 31 2001. • A one-page "gambling occurrence report (GOR)" form was developed by the researchers, and utilized by investigating officers when responding to any/all complaints for the period February 1 2002 to July 31 2002. • EPS mapping services were accessed to geographically locate any/all crime occurrences to the street addresses of Edmonton legal gambling venues (i.e., casinos, bingo halls, racetracks), including bars/lounges with VLTs. • Researchers conducted interviews with EPS and RCMP investigating officers and supervisors. • Researchers conducted interviews with security personnel at major gambling venues (i.e., 4 casinos and Northlands race track).

B. Law Enforcement Policy Pertaining to Gambling and Crime

5. How and to what extent is gambling-related crime monitored and enforced?
6. How can gambling related crime be tracked more accurately and comprehensively?
7. What resources are afforded to the Edmonton Police Service to enforce gambling laws?
8. What law enforcement prevention strategies are used to limit gambling-related crime?

Data required	Collection methods
- Perceptions of key EPS and RCMP personnel. - Relevant EPS documents.	- Researchers conducted interviews with EPS and RCMP officers and supervisors. - Research assistant gathered and content analyzed relevant documentary information (e.g. prevention/education materials, budget summaries, reports).

9. What is the role of the Edmonton Police Service in containing gambling-related crime vis-à-vis provincial gaming regulators, gaming venue security personnel, and other law enforcement agencies?

Data required	Collection methods
- Perceptions of key EPS personnel and other law/gaming enforcement agency officials.	- Interviews with key EPS personnel and other law/gaming enforcement officials (RCMP and casino security staff).

1. Data Collection and Analysis Methods

1.1 EPS Crime File Data

The researchers endeavored to collect gambling-related crime data both retrospectively and prospectively. Retrospective data were gathered by a research assistant thoroughly reading all the content in selected files located in the Central Records department at the downtown headquarters of the Edmonton Police Service. Files were selected from the EPS statistical data collection "violation/incident type code" categories deemed most likely to contain gambling-related crime occurrences. In some categories, 100% of the files for the period January 1, 2001 to December 31, 2001 were reviewed; in other categories, only 20% of the files were randomly selected for review, as either the total number of files was deemed too large for 100% review, or the category was considered less likely to render gambling-related occurrences. The lists below present the EPS violation/incident code categories that were searched and the number of files in each that were analyzed:

100% Sample

Code	Violation/Incident Type	Total Files Available	Total Files Reviewed
10101	1st Degree Murder	3	3
10102	2nd Degree Murder	15	15
10103	Attempted Murder	3	3
10105	Manslaughter	2	2
10201	Extortion	31	28
20220	Counterfeiting	487	482
20225	Fraud-Cheque	730	677
20230	Fraud-Credit Card	1246	1210
20235	Fraud-Other	1338	1210
20423	Betting House	0	0

20430	Gaming House	0	0
20441	Other Gaming & Betting	2	2
20851-20855	Organized Crime Types	0	0
40110	Suicides	95	95
40115	Attempted Suicides	45	45
	Total	3997	3772

20% Sample

Code	**Violation/Incident Type**	Total Files Available	Total Files Reviewed
10205	Robbery-Firearm	153	35
10206	Robbery-Offensive Weapon	476	84
10210	Robbery	714	140
21151	Cocaine-Trafficking	312	71
50115	Family Disputes	5546	1094
	Total	7201	1424

For some crime occurrences, a few files were unavailable, as they were in the custody of investigating officers and other files pending warrants being issued. For the 2001 calendar year, 11,198 prospective gambling-related crime files were available for review, and the research team probed 5,196 of these.

The researchers attempted to collect prospective data on gambling-related crime by developing a "gambling-related occurrence report (GOR)" form to be used by EPS investigating officers during a six-month period, from February 1 2002 until July 31 2002. The GOR was developed in consultation with EPS supervisors, and was based in large measure on a similar EPS "domestic violence report" form (refer to Appendix I for a copy of the GOR). Officers investigating any and all complaints citywide during this six-month period were expected to determine whether "gambling" factored into the occurrence in any way; if so, they were instructed to complete the GOR as part of their normal investigation paperwork requirements. When an occurrence report subsequently reached EPS Central Records for coding, the GOR was file-coded and set aside, thus flagging the file as one wherein gambling was related to the alleged crime. From the GORs that were set aside, the research assistant then pulled the corresponding files for content analysis in the same manner as the 2001 files reviewed in retrospect.

In an attempt to gain the cooperation of EPS officers in asking gambling-related questions during their investigations, and in subsequently completing the GOR, four measures were undertaken: (1) the researchers and research assistant attended beginning-of-shift "parades" in Divisional Stations throughout Edmonton to explain the study and GOR completion request to EPS officers going on-shift; (2) an EPS-wide service directive was circulated from downtown headquarters to each Divisional Station requesting members' cooperation in the study; (3) posters explaining the importance of completing the GOR were placed in highly visible locations at all sixteen community police stations; and (4) the researchers took part in "ride-alongs" in EPS patrol cars to gain an appreciation of how onerous the GOR completion request was, with a view to ameliorating any apparent problems.

File data analysis. Research team members read the file contents in the crime categories described above, and noted the details of each gambling-related occurrence. These summary notes were entered into a computer database, along with other pertinent file details including: occurrence date, EPS file number, type of violation/incident, location of occurrence, males/females involved, and whether charges were laid. The researchers then content-analyzed these summary notes, and qualitative findings for each of the gambling-related occurrence types are presented in the results chapter. In addition, some descriptive statistics are reported; for instance, the percentages of all occurrences in a category that are gambling-related.

The computer database contains a detailed summary of the contents of each of the files (EPS and AGLC) reviewed. Moreover, the gambling occurrence reports (GORs) are also available, and together with the electronic database, these sources provide an audit trail for EPS and AGLC officials to conduct confirmatory analyses of our qualitative data interpretations. These data sources contain confidential information obtained by research team members who were security-cleared; as such, this information may not be divulged to other researchers without the consent of the Edmonton Police Service and/or the Alberta Gaming and Liquor Commission.

1.2 Mapping Crime Data

The EPS crime mapping analyst was provided with an electronic file containing the street addresses of all Edmonton casinos, bingo halls, and bars/lounges with VLTs, in order to "map" all crime occurrences at each address for the period January 1, 2001 to August 31, 2002. Our research assistant then calculated frequency distributions for each type of crime for three of the four casinos and five of seventeen bingo halls. Bingo halls or casinos located in large shopping malls were not included in the analysis, because they do not have discrete street addresses; therefore, it was not possible to map EPS crime occurrences in these specific locations (i.e., crimes could have occurred anywhere in the shopping mall). The type and number of crime occurrences associated with bingo halls and casinos are displayed in the results chapter.

There were 226 venues in Edmonton licensed to have VLTs during the study period. As with twelve bingo halls and one casino, 51 bars or lounges are located in larger complexes, therefore, making it impossible to map crime data to these addresses. Consequently, the analysis of VLT crime data was only conducted for the 175 bars and lounges with discrete addresses.

1.3 AGLC Data

Alberta Gaming and Liquor Commission's Investigations Branch is authorized to conduct investigations into suspected Criminal Code gambling offences and, where necessary, make arrests. AGLC investigators sometimes work in cooperation with the EPS, RCMP, and gambling venue security officials to protect the integrity and fairness of legalized gambling. Given a declining interest in gambling-related crime by traditional law enforcement agencies, AGLC investigators (mostly former police officers) are assuming a lead role in both legal and illegal gambling monitoring. This circumstance has evolved as a result of the RCMP and city police services being under funded and choosing to devote their resources to higher priority areas, whereas the AGLC has the interest, trained personnel, and budget to do the job.

A recent AGLC initiative has been the creation of provincial Gaming Investigation Teams (GITs); joint forces groupings comprised of AGLC investigators, Edmonton, Calgary, Lethbridge and Medicine Hat police services, RCMP, the Canadian Justice Service (Alberta), as well as the Solicitor General and Alberta Justice Ministries. The GITs are funded by the AGLC and were formed "to pursue effective strategies to detect, combat and deter organized crime from gaining a foothold in the gaming industry in Alberta, and to identify and prosecute illegal gaming activities" (AGLC 2001-2002 Annual Report, p 35).

Given these recent developments, in order to obtain a complete picture of gambling-related crime for this study it was necessary to access AGLC 2001-02 criminal investigation files of incidents that took place in Edmonton. Rather than reading each file as was done with the EPS investigation files, the research assistant reviewed a summary printout that AGLC provided of investigations that took place in Edmonton from January 1 2001 to August 31 2002. In terms of analysis, the same general procedure used to examine EPS files was followed in reviewing AGLC files, the main difference being that the EPS files had to be scrutinized for references to gambling, whereas the AGLC files were all gambling-related, but had to be searched for criminal offences. As is the case with the EPS, confidentiality agreements apply to our use of the AGLC data.

1.4 Perceptual Data

Interviews with key respondents from Edmonton area police agencies (EPS and RCMP) and the security managers of major gambling venues (four casinos and Northlands Park racetrack) were conducted to determine how gambling-related crime is monitored, enforced, and tracked and how each group's resources are deployed in carrying out these functions. We also explored the points of interaction between these groups and their interrelationships with provincial gaming regulators.

All interviews were conducted in-person by one of the co-investigators, at the respondent's workplace. Interviews took approximately one hour to complete and separate questionnaires were used for police agency personnel as opposed to gambling venue security managers. Listed below are the interview questions for the two groups:

TABLE 3
Interview Questions

POLICE AGENCY	GAMBLING VENUE SECURITY
1. HOW MANY MEMBERS ARE IN YOUR DEPARTMENT?	1. HOW MANY SECURITY STAFF ARE ON YOUR PAYROLL (FULL AND PART TIME)?
2. HOW ARE YOUR DEPARTMENT'S RESOURCES DEPLOYED?	2. HOW MANY SECURITY STAFF ARE ON DUTY DURING PEAK TIMES AND
3. HOW ARE DEPARTMENT PRIORITIES	

SET?
4. HAVE DEPARTMENT POLICIES CHANGED OVER THE PAST FEW YEARS? IF SO, HOW?
5. WHERE DOES THE IMPETUS FOR POLICY CHANGE COME FROM?
6. HOW DOES YOUR DEPARTMENT MONITOR AND ENFORCE ILLEGAL GAMBLING?
7. WHAT ARE THE MAIN FORMS OF ILLEGAL GAMBLING IN EDMONTON AND HOW EXTENSIVE ARE THEY?
8. HOW ARE ILLEGAL GAMBLING COMPLAINTS HANDLED?
9. TO WHAT EXTENT DOES YOUR DEPARTMENT INVESTIGATE GAMBLING VENUE CRIMES SUCH AS MONEY LAUNDERING, LOAN SHARKING, CHEATING AT PLAY, PASSING COUNTERFEIT CURRENCY, AND SO FORTH?
10. WHAT IS YOUR DEPARTMENT'S AFFILIATION WITH THE ALBERTA GAMING AND LIQUOR COMMISSION AND WHAT ARE THE PROS AND CONS OF THIS AFFILIATION?
11. WHAT IS YOUR DEPARTMENT'S AFFILIATION WITH GAMBLING VENUE SECURITY STAFF AND WHAT ARE THE PROS AND CONS OF THIS AFFILIATION?
12. SHOULD THERE BE A FULL TIME POLICE PRESENCE AT EDMONTON'S MAJOR GAMBLING VENUES? WHY OR WHY NOT?
13. DO YOU THINK THAT THE GAMBLING STATUTES IN THE CANADIAN CRIMINAL CODE SHOULD BE CHANGED? IF SO, IN WHAT WAY(S)?
14. IS IT POSSIBLE TO OBTAIN COPIES OF ANY INTERNAL DOCUMENTS SUCH AS REPORTS, MEMORANDA, POLICY STATEMENTS, BUDGETS, ETC? THAT'S PERTINENT TO POLICING GAMBLING-RELATED CRIME?
15. DO YOU HAVE ANY FINAL THOUGHTS ON THIS ISSUE THAT HASN'T BEEN COVERED?

SLOWER TIMES?
3. WHAT IS THE BASIC JOB DESCRIPTION FOR YOUR SECURITY PERSONNEL?
4. WHAT BACKGROUND AND PERSONAL CHARACTERISTICS ARE YOU LOOKING FOR WHEN HIRING SECURITY STAFF?
5. WHAT TYPES OF INCIDENTS DOES YOUR SECURITY STAFF TYPICALLY HANDLE?
6. WHAT PROCEDURES DO YOU FOLLOW FOR HANDLING VARIOUS INCIDENTS?
7. ARE INTERNAL MATTERS (E.G. EMPLOYEE THEFT) HANDLED DIFFERENTLY THAN PATRON-RELATED MATTERS?
8. HOW DOES YOUR SECURITY OPERATION INTERACT WITH THE FOLLOWING AGENCIES (EPS, RCMP, AGLC INVESTIGATORS)?
9. WHAT DO YOU SEE AS THE STRENGTHS AND WEAKNESSES OF YOUR PRESENT SECURITY SET UP?
10. WHAT IS YOUR VIEW ON HAVING A FULL TIME POLICE PRESENCE IN YOUR VENUE?
11. IS IT POSSIBLE TO REVIEW YOUR INCIDENT RECORDS FOR THE PAST YEAR SO THAT WE CAN CATALOG THE NUMBER AND TYPES OF OCCURRENCES?
12. DO YOU HAVE ANY FINAL THOUGHTS ON THIS ISSUE THAT HASN'T BEEN COVERED?

A total of ten key respondent interviews were conducted (six with police agency representatives and four with gambling venue security managers). Law enforcement respondents were chosen based on their background in gambling investigations and knowledge of agency policy and represent nearly the total population of relevant Edmonton-based police interviewees. Interview data were recorded using shorthand and to strengthen data collection accuracy, the researcher, after recording each answer, paraphrased the response aloud to ensure that the respondent's message was understood as intended. After each interview and on the same day, the investigator reviewed the responses and expanded on his short hand notes. Given the small number of interviews, data analysis for each group was done by comparing and summarizing question responses, both to capture group consensus and to explicate differing viewpoints. The findings from these interviews are presented in Chapter Four.

1.5 Documentary Data

EPS internal documentary data was obtained through Crime Prevention and Youth unit personnel and information on the EPS 2003 budget was downloaded from the City of Edmonton website.

2. Limitations

Two main study limitations must be acknowledged. First, it is evident from the retrospective analysis of the 2001 EPS files that there are a relatively low number of gambling-related occurrences; however, this must be treated as a conservative finding as it is evident from the researchers' careful reading of the file content that written comments are parsimonious, and even if gambling is a factor, this remains essentially unrecorded. This observation is reinforced by our experience with the prospective data collection effort through the GORs; that is, even though EPS investigating officers were requested to ask questions about the gambling-related nature of an occurrence, and to subsequently complete GORs, only 26 such forms were received during the 6-month pilot period. This is not indicative of the gambling-related crime that occurred during this period; indeed, through the normal daily process of coding incoming investigation reports, EPS case managers identified an additional 93 gambling-related occurrences that were not recorded on GORs by investigating officers during the 6-month period. It is virtually impossible to estimate how significant the under-reporting of gambling-related crime is in EPS files, and this must be viewed as a serious study limitation.

The second study limitation relates to the nature of perceptual data. People's perceptions are influenced by the reality of their personal experiences; consequently, individuals may have different beliefs and opinions about essentially the same phenomenon. Insofar as the study relies on the perceptions of key respondents, gathered through personal interviews, it must be acknowledged that each respondent has a unique perception of the relationship between gambling and crime in Edmonton. In this sense, the perceptual data are limited to those key respondents interviewed, and it would be advantageous to increase the number of interviewees in subsequent research.

CHAPTER IV
RESULTS

The information provided in this section addresses the research questions posed in the previous chapter. This study contributes to the literature on the costs and benefits of widespread legal gambling by framing the relationship between gambling and crime in one major Canadian metropolitan area, Edmonton, Alberta. Data gathered for this study emanate from Edmonton Police Service and Alberta Gaming and Liquor Commission files, interviews with key law enforcement personnel, and interviews with major Edmonton-based gambling venue security managers.

1. The Nature and Scope of Gambling-Related Crime in Edmonton

1.1 The Magnitude and Description of Gambling-Related Crime in Edmonton

In this section we present data on gambling-related crime in Edmonton from several perspectives, namely; information gathered from EPS files and occurrence reports, AGLC files dealing with Edmonton-based incidents, EPS and RCMP members perceptions, and the viewpoints of Edmonton's major gambling venue security managers.

1.1.1 Year 2001 EPS File Data

As outlined earlier in this report, gambling-related crime refers to (1) illegal gambling offences as defined by the Criminal Code of Canada; (2) crimes committed by problem gamblers to support a gambling addiction; (3) crimes that occur in or around gambling venues; and (4) domestic abuse crimes precipitated by a family member's gambling involvement. Despite the limitations of discerning gambling-related crime rates from police statistics as noted earlier, the only two data sources available for evaluating these dimensions of gambling-related crime are the Edmonton Police Service (EPS) and Alberta Gaming and Liquor Commission (AGLC) official files as described in the methodology chapter. EPS files were systematically reviewed to identify and document all gambling-related incidents investigated during the January 1, 2001 to December 31, 2001. Data for this time-period are presented in the following section.

All EPS files in the most gambling-relevant crime categories were searched. In instances where the number of files was voluminous (e.g., family disputes) or where the crime was perceived as peripherally related to gambling (e.g., robbery or drug trafficking), a sampling (20%) of the available files was explored. Table 4 summarizes the gambling-related occurrences derived from EPS files in 2001.

TABLE 4
EPS Gambling-Related Occurrences (2001)

Code	OCCURRENCE TYPE	TOTAL FILES	FILES VIEWED	G.R.O.
10101	1sr Degree Murder	3	3*	0
10102	2nd Degree Murder	15	15*	0

10103	Attempted Murder	3	3*	0
10105	Manslaughter	2	2*	0
10201	Extortion	31	28***	0
10205	Robbery-Firearm	153	35**	4
10206	Robbery-Offensive Weapon	476	84**	0
10210	Robbery	714	140**	5
20220	Counterfeiting	487	482***	130
20225	Fraud-Cheque	730	677***	9
20230	Fraud-Credit Card	1246	1210***	17
20235	Fraud-Other	1338	1210***	20
20423	Betting House	0	0	0
20430	Gaming House	0	0	0
20441	Other Gaming & Betting	2	2	2
20851-20855	Organized Crime Occurrence Types	0	0	0
21151	Cocaine-Trafficking	312	71**	1
40110	Suicides	95	95	3
40115	Attempted Suicides	45	45	1
50115	Family Disputes	5546	1094**	16
		11,198	5,196	208

* These files were classified and were reviewed by homicide personnel

**Sample = 20% of total files available

*** Total number of files available to view from sample with the exception, files not available during on-site research timetable (i.e., due to on-going investigations, warrants, etc.)

Depicted in Table 4 are the crime categories investigated, total files existing for each crime category, numbers of files searched, and number of gambling-related occurrences identified. On the surface, it appears with only 208 gambling-related occurrences out of 5,196 files reviewed (4%) that gambling played a minor role in Edmonton's overall criminal activity in 2001. Gambling-related crime may, however, be underestimated because the majority of criminal occurrences are unresolved; that is, a crime is reported, a file prepared with the pertinent documentation, but no arrest, let alone a charge or conviction. For example, when reviewing the economic crime files we noted numerous credit card offences involving theft and unauthorized use. Generally, the file contains only the victim's version of what happened; why the credit card was stolen and how it was used is undetermined, even in the unlikely event that an arrest is made. Conceivably, gambling may factor into some of these incidents, but whether and to what extent, is unknown. Another major reason for the conservative gambling-related crime percentage is that the files are often not descriptive enough to determine if gambling was involved.

It is also important to note that in five crime categories (robbery-firearm, robbery-offensive weapon, robbery, cocaine trafficking, and family disputes) twenty percent of the files were randomly sampled. Extrapolating the gambling-related offenses in these categories adds130 occurrences out of 7,201 total files (1.8%). Combining the two file data sources yields a total of 338 gambling-related occurrences out of 11,198 files (3%).

We now turn to an examination of the criminal activities associated with gambling that are captured in EPS 2001 files.

1.2 Gambling-Related Criminal Activities Contained in EPS 2001 Files

Counterfeiting: The crime most frequently connected to gambling is passing counterfeit currency, which accounts for 130 of the 338 (39%) gambling-related occurrences. Presumably, gambling venues are seen as prime locations to make counterfeit transactions because of the likelihood of bogus bills going unnoticed amidst the high volume of circulating cash. Gambling establishments are not unique in being victimized by this activity; businesses where there are numerous money-handling points and large crowds (e.g. nightclubs, department stores, theatres, sports events) are also vulnerable to receiving counterfeit currency. Despite gambling venues' deployment of infrared scanners and workers trained to spot phony bills, illegal currency sometimes still gets through.

Comments on the counterfeiting files:

- 27% of all EPS year 2001 counterfeiting files are gambling-related, to the extent that they occurred in gambling venues.
- The denomination of counterfeit currency passed ranges from $5 to $100, with $20 bills the most common.
- Charges seldom result from passing counterfeit bills; only two of the 130 occurrences led to charges, while ten files remain under investigation. The lack of charges laid in this crime category stem from a variety of reasons: (1) counterfeit currency is often detected after the fact when it is impossible to identify a suspect; for example, an illegal bill is found in a VLT, slot or money changing machine, or discovered in the count after business hours; (2) when persons are caught passing ersatz currency it is difficult to prove that they knew it was counterfeit and/or that the money was not inadvertently acquired in a legitimate transaction with a bank or shopkeeper (in a few instances the complainant was a patron who received a counterfeit bill from the gambling venue itself). In the two cases where counterfeiting charges were laid, the suspects had counterfeit currency in their possession in addition to what they attempted to pass; and (3) similar to the tactics used in drug enforcement, there is more emphasis placed on catching the manufacturers than the distributors.
- The locations of counterfeit occurrences were as follows: casino-81 (68%), VLT establishment-19 (16%), Bingo hall-15 (13%), racetrack-4 (3%), and lottery ticket outlet-1 (1%). The low number of counterfeit occurrences at the racetrack is misleading to the extent that management accumulates counterfeit currency over several weeks before notifying the police. The four racetrack counterfeiting reports involve a total of 32 illegal bills; if the police were called on a case-by-case basis as is customary with other gambling venues, the number of racetrack incidents would be significantly higher.

- Relatively small amounts of money are involved (in 75% of the cases only one bill was detected).
- The passing of counterfeit currency in Edmonton gambling venues is a relatively gender-balanced activity; in the 35 instances where suspects were identified, 21 were male and 17 female.
- Gambling venue transactions involving counterfeit money appears to be a seasonal activity; in that, 25 occurrences (21%) were reported in the first four months, 38 (32%) in the middle four months, and 57 (47%) in the last four months of the calendar year.

Family Disputes: The second most frequently occurring gambling-related crime in 2001 pertains to family disputes. As previously noted, a 20 percent sampling of the files revealed 16 gambling-related incidents; extrapolating to the total number of files yields a projected figure of 80 gambling-related occurrences in this crime category, which amounts to 1.5% of the reported domestic violence incidents.

Comments on the family dispute files:

- Of the sixteen gambling-related occurrences, seven involved common law relationships, five were married couples, two were in estranged marriages, and the other two were father/daughter and mother/son conflicts.
- One or both party's gambling addiction was the basis for twelve of the incidents; two disputes were attributed to who should control gambling winnings; and two flare ups were precipitated by males leaving their female companions at a bingo hall, thus forcing them to walk home.
- Fourteen of the incidents took place in the home, while two occurred in public; the level of violence ran the gamut of heated arguments, to death threats, to mutual pushing and hitting, and one-sided physical beatings; four of the incidents also involved substance abuse (three alcohol, one cocaine); two incidents involved pawning a family member's possessions to get money with which to gamble; and child neglect surfaced in one case, as a mother was leaving her young children under the supervision of her fourteen year old daughter for hours on end while frequenting local casinos.
- In the twelve instances where a gambling addiction was at the root of the dispute, six involved a male, five a female, and on one occasion, both the male and female admitted having a gambling problem.

Fraud: Several subcategories exist under the umbrella designation of fraud; including fraud by cheque, fraud by credit card, and fraud-other (a catchall category that includes transgressions such as attempting to cash in forged lottery tickets, pawning stolen property, obtaining money or services under false pretenses, etc.). Of the 3097 files reviewed in the fraud categories, 46 (1.5%) were gambling-related, (9 involving cheques, 17 credit cards, and 20 in the "other" category). It is important to reiterate here that the number of gambling-related fraud incidents is likely seriously underestimated because the files rarely contain information about the perpetrator or how the proceeds of crime were used and few of these cases are ever solved.

Comments on the gambling-related cheque frauds:

- Six of the nine occurrences involved attempts to cash stolen cheques; the other incidents were for cheque forgery, altering a certified cheque, and writing cheques on a closed account.
- The perpetrator(s) in six of the nine incidents admitted to having a gambling problem. The gambling connection in two files was the cheques being cashed in gambling venues (casino and racetrack) and in the last instance, a couple lied about having won a satellite bingo jackpot.
- Substantial amounts of money were involved: up to $20,000 in stolen cheques and in the case of the certified cheque alteration, a new truck was bought with a $52,240 cheque that had originally been authorized for $240.
- A charge was laid in eight of the nine incidents and 9 of the 13 suspects were male.

Comments on the gambling-related credit card frauds:

- The three common ways this crime occurs is through stolen credit or bankcards, unauthorized credit or bankcard use, and fake credit cards. The fine distinction between a stolen card and unauthorized use is that in the first instance, the card is probably missing permanently; in the latter case, the card holder may still have the card in their possession but someone has either "borrowed" it without their knowledge and put it back, or somehow gained access to the card number.
- Of the seventeen incidents in this category, nine involved stolen cards, six dealt with unauthorized card use, one was for using a fake credit card, and there was one instance of making false applications to unlawfully receive credit cards.
- In six of the credit card fraud cases the suspect admitted to having a gambling problem. In nine cases the gambling connection was that the cards were either stolen from the person at a gambling venue or stolen elsewhere and used to obtain cash at a gambling venue.
- One file described the use of a counterfeit credit card to buy a substantial amount of liquor. The liquor was to be sold to restaurants to obtain money with which to gamble. A statement in this file by the arresting officer is revealing in that it suggests organized crime involvement: "The accused was likely recruited in a Vancouver casino by Asian gang members and offered the chance to pay off gambling debts by committing frauds using fake credit cards. This is often attempted at liquor stores because the booze can be turned over quickly at local restaurants."
- Suspects in these incidents include ten males and seven females.
- Charges were laid in eight instances. When no charge was made it was because the perpetrator was unknown; was known, but had not been caught; or there was insufficient proof.
- The amount of money involved in these credit card or bankcard frauds ranges from a low of $100 to over $20,000, with the majority being in the thousands of dollars. Incidents at the higher end of the monetary scale

involved individuals attempting to support a gambling addiction, and include (1) making false application for six credit cards and using the cards to obtain $21,000; (2) a boyfriend receiving unauthorized cash advances of $15,000 to $20,000 on his girlfriend's credit and bankcards; and (3) an extended home care employee using a resident's bankcard to siphon $13,000 from the account over a three month period.

Comments on the gambling-related "other" fraud:

- The sixteen incidents in this crime category breakdown as follows: embezzlement-5, pawning stolen property-4, obtaining meals by fraud-2, forgery-2, obtaining money under false pretenses-2, and exchanging stolen goods for money-1.
- In eight of the cases the accused admitted to having a gambling problem. In the other instances, the crime either took place in or was associated with, a gambling venue.
- Charges were laid in thirteen of the sixteen occurrences.
- Twelve of the suspects for these crimes are male and four are female.
- The dollar amounts involved in some of these files are substantial; for example, (1) an insurance representative defrauded 34 elderly clients of $166,000, (2) two bingo playing acquaintances were taken for $127,000 by a third party, (3) an Alberta lady contributed $60,000 to an illegal lottery in Quebec, (4) a hotel employee stole $31,500 from the business, and (5) two alleged Quebec organized crime associates used fake credit cards to make "cash calls" for $22,500 at Edmonton casinos.
- Several instances of employee theft were recorded in the $340 to $1,500 range; the monetary value of the meals obtained by fraud was minimal; and no dollar amounts were listed in the files dealing with pawning stolen goods or in the case where stolen merchandise was exchanged for cash.

Robbery: In sampling twenty percent of the EPS files on robberies, nine gambling-related incidents were identified, four involving the use of a firearm. Extrapolating to the total number of robbery files from the 20% sample yields a projected figure of 45 gambling-related robberies in 2001, 20 with a firearm. Of the extrapolated estimate of 700 available robbery files for 2001, a projected 25 (3.6%) were gambling-related and of the 153 robbery-firearm files, a projected 20 (13%) were gambling-related.

Comments on gambling-related robberies:

- Three of the five incidents took place at or near VLT establishments; one in the washroom and two outside the premises after the victim had been observed winning a jackpot. In the other two instances: (a) two suspects were arrested for committing ten bank robberies—the arrest was made in a casino as the accused were caught with stolen money in their possession and (b) a suspect was arrested for a series of service station, convenience store, and bank robberies and admitted to being an addicted gambler.
- The VLT venue robberies are still under investigation, while charges were pressed in the other two incidents.

- Male suspects were implicated in all five occurrences. In two of the cases two males were involved and, in one situation, a female accomplice allegedly lured the victim out of the venue and delivered him to a male robber.
- No dollar amounts were mentioned in the files dealing with bank and store robberies. In the VLT venue occurrences, $400 and $570 was taken and an indeterminate amount in the third instance.

Comments on the gambling-related armed robberies:

- Three of the four incidents took place in VLT venues and, in the fourth case, the suspected robber of three banks and two liquor stores admitted to having a gambling addiction.
- The VLT venue robberies featured the use of handguns in two instances and a sawed-off shotgun and pepper spray in the third. In one case, a lone male robber took $3,000, and was later apprehended and charged; in the second instance, two males absconded with $20,000 from the establishment's cash register, safe, VLT float, and patrons. They were caught and charged and one of the accused was known by police to be an inveterate VLT player. The third occurrence involved four males stealing $2,300 from the VLT float, patrons, and waitresses and is still under investigation.
- The bank and store-robbing suspect used a handgun to net $4,000, and he was later apprehended and charged.

Suicide: Ninety-five suicides and forty-five attempted suicides were investigated by the EPS in 2001 and of these numbers, three suicides (3.2%) and one attempted suicide (2.2%) were considered gambling-related.

Comments on the gambling-related suicides and suicide attempt:

- The three suicide victims were male, while a female made the lone suicide attempt. In two of the suicides the victim hanged himself and the other overdosed on morphine. The women's suicide attempt was made with a prescription drug overdose.
- Notes found in two of the suicides indicated that problem gambling was a precipitating factor. Excerpts from these notes include: (1) "I'm sorry for spending my paycheque on the VLTs and not depositing it in the bank as promised." (2) The victim was on morphine for cancer treatment; however, in the suicide note he stated, "he wished the cancer would have got him before the gambling" and that he was "sorry for the hurt he brought to everyone."
- In the suicide where no note was found, and in the suicide attempt, the problem gambling reference surfaced in police interviews with the surviving spouse. In one case, the wife cited her husband's gambling and alcohol abuse as the likely cause of his suicide. In the attempted suicide, the common-law husband noted that his wife had attempted suicide before

and that she was having difficulty coping with her son's criminal behavior and her own gambling addiction.

Other gambling-related crimes: In our search of EPS records, three additional gambling-related files were located; two under the "other gaming and betting" crime category and one under "cocaine trafficking." In the first other gaming and betting incident, 14 members of a local motorcycle gang were charged with "conducting an illegal lottery." The prize was paid out--a trip for two to Cuba plus $800 in spending money. The second occurrence in this category involved "cheating at play." A male playing blackjack at a local casino was observed by casino security personnel via their surveillance cameras to be "pressing" and "pinching" his bets; that is, adding or subtracting chips from the original bet depending on the strength of the dealer's up card. Camera evidence led to a charge being laid.

In the cocaine trafficking incident, EPS undercover agents attempting to set up a "buy and bust" operation were told by the two drug dealers to meet at an Edmonton casino. The drug purchase took place in the casino parking lot, while the arrests were made in the casino; one inside the front door and the other at the casino poker table.

Other crime categories searched where no gambling-related crimes were found: No gambling-related occurrences surfaced in the following categories: 1st and 2nd degree murder, attempted murder, manslaughter, extortion, robbery with an offensive weapon (e.g. knife, baseball bat, pepper spray, etc.), bookmaking, keeping a common gaming house, and organized crime occurrence types.

1.3 Year 2002 EPS File and GOR Data

As described in Chapter 3, our approach to data gathering for the six-month period investigated in 2002 was different than that used to collect 2001 data. Rather than scrutinizing police files, in cooperation with EPS senior officials a "gambling occurrence report" (GOR) form was developed which we hoped would yield a more complete data set. The rationale for the form was that police officers investigating any occurrence (criminal or otherwise) were to ask the party(s) involved if the matter was gambling-related, and if so, to complete the GOR. In spite of our efforts to have police officers comply with this new protocol, the overall benefits were less than expected as only 26 gambling-related incidents were uncovered using this reporting format. In retrospect, the lack of compliance is understandable; police officers are already confronted with an overwhelming amount of mandatory paper work, adding a non-mandatory form may have been asking too much. If a more expedient way of using the GOR can be found, the information may prove valuable to the EPS and researchers in years to come.

To augment data gathering efforts for the seven-month period in 2002 (Jan. 1 through July. 31), EPS case managers were asked to identify any gambling-related crime files they came across (as part of their duties, clerks comprehensively read all new files for the purposes of assigning code numbers and cataloging them appropriately). With the case managers' assistance, an additional 93 gambling-related crime occurrences were confirmed. Due to our reliance on the generosity of EPS case managers; we cannot be sure that all gambling-related crimes were captured. On the other hand, this approach was broader than the 2001 file search in the sense that, the case managers examined files in all crime categories, not just those most likely to have a gambling connection. Another shortcoming of this approach is that there is no record of the total files viewed in each crime category; as a result, the percentage of occurrences that were gambling-related cannot be reported as was done with the 2001 data. With these cautions in mind, the 2002 Edmonton gambling-related crime occurrences are presented as follows.

Table 5 displays the gambling-related crimes by occurrence type as identified in EPS files covering the seven-month period January through July 2002. Twenty-six of these appeared on gambling occurrence reports completed by investigating officers, while 93 were occurrences flagged by case managers in EPS central records.

TABLE 5
EPS 2002 Gambling-Related File Summary

Code	OCCURRENCE TYPE	GAMBLING RELATED FILES VIEWED	GAMBLING-RELATED OCCURRENCE FORMS
20145	Assault	3	0
50230	Assist RCMP	1	0
20220	Counterfeiting	72	16
50115	Family Disputes	5	1
Ticket	Fight	1	1
20225	Fraud-Cheque	1	0
20230	Fraud-Credit Card	3	0
20235	Fraud-Other	4	1
50101	General Complaint	4	2
20655	Have Stolen Goods	1	0
50120	Juvenile Trouble	1	0
21301	Liquor Act General	1	0
30201	Lost Property	1	0
20668	Mischief Under	1	0
20441	Other Gaming & Betting	1	0
20656	Possession of Stolen Property	1	0
21201	Provincial Acts General	2	0
10210	Robbery	1	0
10205	Robbery-Firearm	1	1
40110	Suicides	1	0
10504	Theft of Truck	3	1
10440	Theft Under	7	1
20661	Threats – Letter-Utter	1	1
70401	Traffic Complaint General	1	0
Ticket	Trouble with Person	1	1
		119	26

As shown in Table 5, 119 gambling-related occurrences were found in EPS files for the January through July 2002 period, of these, 26 were identified through GOR forms. As was the case with the 2001 data, the most frequently noted gambling-related crime was passing counterfeit currency; 72 of the 119 incidents (61%), followed by 10 thefts (8%), 8 frauds (7%), 5 family disputes (4%), and a smattering of incidents in several other crime categories.

Of the 72 **counterfeiting occurrences**, 64 took place in casinos, 4 in bingo halls, and 4 in VLT establishments. The fact that no counterfeit currency occurrences were associated with the racetrack is an indication that the 2002 EPS data are incomplete—the racetrack's own occurrence reports for the first six months of 2002 list 37 incidents of counterfeit currency being passed. Where suspects were identified, 12 were female and 14 male; charges were laid in only 3 cases; and 4 cases remain under investigation. In all but 8 instances, the counterfeit currency passed was under $100; the most passed at one time in the same location was $350.

Of the ten **theft occurrences**, seven were at gambling venues (six at casinos and one at the racetrack), two were employee thefts from businesses, and one was theft from a roommate. In the latter three instances, the thief admitted stealing to support a gambling addiction. The gambling venue incidents included two stolen trucks from casino parking lots, stolen property from a locked vehicle on a casino parking lot, three stolen purses, and an attempt to steal employee tip money. Not counting the cost of the vehicles, the dollar amounts stolen were substantial (in six cases the loss was over $1,500 and $3,500 was the highest amount stolen). Charges were laid in four of the theft cases, two remain under investigation, and in four cases no suspects have been found. Three of the suspects linked to these crimes are male and one female.

Three of the eight **fraud occurrences** involved credit cards, one a cheque, and four are in the "other" category. In two instances, stolen credit cards were used to obtain money at a casino ($2,000 in one case and $8,000 in the other). In the other credit card incident, a woman reported a new credit card stolen from her mailbox; her first awareness of the fraud was contact from Visa about unusual transactions on her bill—"gambling on the Internet." The cheque fraud incident resulted from one casino patron buying a stolen computer from a fellow casino goer; later, when the person who purchased the computer tried pawning the item, he was accused of possessing stolen property.

All five **family dispute** occurrences were precipitated by an individual family member's inability to control his/her gambling behavior; three cases involved spousal conflict, one a boyfriend/girlfriend scuffle, and one a mother/17-year-old son altercation. Physical violence surfaced in two of the incidents, one involved property destruction, and the remaining two were shouting matches. From the police reports it seems that these interpersonal relationships had been deteriorating for some time and were pushed to the brink by a dramatic gambling-related incident: for example, a mother refusing to allow her son continued use of her credit card. The son needed the credit card to pay gambling debts, but in the past, under similar circumstances, he used the credit card to get money to gamble instead of paying debts. Other occurrences included a wife taking her husband's casino winnings ($1,500) from his wallet because, according to the wife, being a problem gambler, "he would surely blow it;" and a husband going berserk, smashing in doors and walls because his wife had gambled away thousands of dollars of their savings in just a few weeks. The wife stated that gambling was her way of coping with the husband's alcoholism. No charges were laid in any of the gambling-related family disputes.

There were four gambling-related **assaults** in the 2002 EPS data, and all occurred at casinos. In two instances, intoxicated male players refused to leave the premises after berating and threatening security personnel, and punches were thrown. In the third case, a person was refused entry to a casino because of inappropriate attire (his shirt was covered with blood); the suspect was verbally abusive and began punching and kicking security personnel. In the last instance, a player who treated staff members disrespectfully after losing $300 was escorted to the parking lot where he began fighting with security staff. In the first three cases the suspects were handcuffed and placed under house arrest until assault charges could be laid by the EPS. In the fourth case, the assailant received a violation ticket for fighting with security officers.

The 2002 EPS data search contained two gambling-related **robberies**, one at a VLT establishment, where after cashing out for $300, the player was accosted and robbed by two males in the washroom. The second involved a female who committed a series of convenience store and service station armed robberies. Upon arrest, it was discovered that the suspect stole to support her VLT addiction. No suspects have been identified in the first case and, in the second case; charges of robbery with a firearm were laid.

The remaining gambling-related incidents in the EPS 2002 files include the following:

- A male **suicide** was attributed to the subject's despondency after his common-law wife ended their relationship because of his gambling addiction.
- A male frustrated from losing at blackjack was charged with **mischief under $5,000** after kicking a hole in the casino wall. Upon arrest, the subject confessed to having a gambling addiction.
- Under the classification of **other gaming and betting**, two male suspects (one a casino pit boss) were charged with attempting to cheat a casino out of $141,474 at a Caribbean draw poker table. The on duty pit boss surreptitiously fed a royal flush (the best hand possible) to a playing confederate. Royal flushes are such a rarity that casinos offer a progressive jackpot, provided the player has made an extra one-dollar bet on the hand. Part of the allure of this game is that a player can win a six-figure payout on a small wager. In this case, the suspects were caught making the illegal transfer on video surveillance cameras.
- There were two **violations of the provincial gaming act** and one of **the liquor act**. One pertained to an individual found playing at a casino who had asked to be excluded from the casino because of his gambling addiction; another for a person on the "banned" list accused of trespassing (this was his eighth offence on the same charge); and finally, a male

playing at a high limit table asked to place a $10,000 bet and was told that ID must be presented to make a bet of that size. The player refused to show his ID and was belligerent to the casino staff; he was placed under house arrest and later ticketed by police for public drunkenness. The casino chose not to press criminal charges.

- There were two incidents of **personation** (using someone else's ID) and one incident of using an **altered ID**.
- Six incidents fell under the **general complaint** heading and dealt with unruly casino players disrupting table games by swearing loudly, bending cards, harassing dealers, throwing coffee, and in one instance, a male observer in the poker room telling other players what a particular player was holding.

1.4 EPS Crime Mapping Data for Major Gambling Venues

As described in Chapter 3 the EPS's PROBE system was used to obtain all reported crime in the City of Edmonton between Jan. 1, 2002 and Aug. 31, 2002. This data was mapped using X and Y coordinates to determine the amount and type of crime occurring at Edmonton's major gambling venues. Below are tables indicating the criminal activity recorded in EPS files that took place from Jan. 1, 2001 to Aug. 31, 2002 at (1) three casinos, (2) five stand-alone bingo halls, and (3) Edmonton VLT establishments. The racetrack, which features live and simulcast horseracing and a slot machine emporium is not included in this analysis because crime mapping is done by address and there are several venues on the racetrack site. As a result, crimes that occurred at the Agricom, Sportex or during the "Klondike Days" summer fair cannot be distinguished from those committed at the racetrack. Similarly, one of Edmonton's four casinos is not included in the mapping analysis because of its mall location, which means that crimes occurring at this casino cannot be separated from crimes taking place in other mall establishments.

1.4.1 Casino Crime Mapping

TABLE 6
Edmonton Casino Crime Mapping Data (Jan.1, 2001 thru Aug. 31, 2002)

Occurrence Type	Total	Casino 1		Casino 2		Casino 3		Total	
	n	n	%	n	%		%	n	%
Assault	3069	5	.016	0	0.00	0	0.00	5	0.16
Assault - bodily harm/weapon	1299	1	.008	0	0.00	0	0.00	1	0.08
Assist other police	313	1	.0032	0	0.00	0	0.00	1	0.32
Assist RCMP	1188	0	0.00	0	0.00	1	0.08	1	0.08
Blood/alcohol over .08	1351	1	.007	1	0.07	0	0.00	2	0.15
Bomb threat	36	0	0.00	0	0.00	1	2.78	1	2.78
Breach of probation	482	1	.0021	0	0.00	0	0.00	1	0.21
Breach recognizance	1800	0	0.00	0	0.00	1	0.06	1	0.06
Cannabis - poss. up to 1 gram	51	1	1.96	0	0.00	0	0.00	1	1.96
Child abuse – neglect	67	1	1.49	0	0.00	0	0.00	1	1.49
Child welfare act	88	1	1.14	0	0.00	0	0.00	1	1.14

Collision cause enforcement	6000	0	0.00	2	0.03	0	0.00	2	0.03
Counterfeiting	957	42	4.39	8	0.84	0	0.00	50	5.22
Dangerous driving	249	0	0.00	0	0.00	1	0.40	1	0.40
Disturb the peace	317	1	.0032	0	0.00	0	0.00	1	0.32
Drive impaired	1747	1	.0006	2	0.11	0	0.00	3	0.17
Fail to appear court	1760	3	.0017	0	0.00	0	0.00	3	0.17
Fail to appear notice	4719	6	.0013	0	0.00	0	0.00	6	0.13
False intrusion alarm	5422	1	.0002	2	0.04	0	0.00	3	0.06
Found property	2925	3	.0010	0	0.00	0	0.00	3	0.10
Fraud - credit card	1234	1	.0008	0	0.00	3	0.24	4	0.32
Fraud – other	1305	3	.0023	0	0.00	2	0.15	5	0.38
General complaints	16668	19	.0011	0	0.00	3	0.02	22	0.13
Harassing phone calls	191	0	0.00	1	0.52	0	0.00	1	0.52
Have stolen goods	2044	2	.0010	0	0.00	0	0.00	2	0.10
Injured person	355	0	0.00	0	0.00	1	0.28	1	0.28
Intoxication	416	1	.0024	0	0.00	0	0.00	1	0.24
Kidnapping	98	0	0.00	1	1.02	0	0.00	1	1.02
License susp 24 hr	1048	0	0.00	0	0.00	1	0.10	1	0.10
Lost property	2211	7	.0032	1	0.05	2	0.09	10	0.45
M/V injury collision	7865	1	.0001	0	0.00	0	0.00	1	0.01
Minor - licensed prem.	38	1	.263	0	0.00	0	0.00	1	2.63
Mischief under	8956	11	.0012	3	0.03	2	0.02	16	0.18
Obstruct peace officer	796	1	.0013	0	0.00	1	0.13	2	0.25
Other gaming and betting	2	1	.5000	0	0.00	0	0.00	1	50.00
PD collision	21667	3	.0001	7	0.03	6	0.03	16	0.07
Possession of weapons	849	1	.0012	0	0.00	0	0.00	1	0.12
Proceeds of crimes	358	1	.0028	0	0.00	0	0.00	1	0.28
Refuse breathalyzer	344	0	0.00	1	0.29	0	0.00	1	0.29
Remain at scene HR	5270	3	.0006	2	0.04	4	0.08	9	0.17
Sexual assault	474	0	0.00	1	0.21	0	0.00	1	0.21
Suspicious person	3362	2	.0006	0	0.00	0	0.00	2	0.06
Theft from auto under	9864	8	.0008	10	0.10	5	0.05	23	0.23
Theft of auto over	1386	2	.0014	3	0.22	1	0.07	6	0.43
Theft of auto under	2545	5	.0020	4	0.16	4	0.16	13	0.51
Theft of truck under	858	1	.0012	0	0.00	1	0.12	2	0.23
Theft under	5103	3	.0006	1	0.02	1	0.02	5	0.10
Threats - letter-utter	1130	0	0.00	0	0.00	1	0.09	1	0.09
Towed vehicle	9497	4	.0004	2	0.02	5	0.05	11	0.12
Traffic complaint - general	2566	2	.0008	0	0.00	0	0.00	2	0.08
Total	142340	152	.0011	52	0.04	47	0.03	251	0.18

In the far left column of Table 6 is a listing of criminal occurrences requiring EPS attention that took place at least once in an Edmonton casino. Subsequent columns list the number of specific occurrences in each crime category for each casino and the percentage of the total number of occurrences that took place in each casino.

Table 6 shows a total of 142,340 EPS recorded criminal occurrences for the period January 1, 2001 to August 31, 2002, 251 actual (0.0018%) and 335 projected (0.0024%) which took place at Edmonton casinos. It is noteworthy that more than three times as many occurrences were recorded in casino one as compared to casinos two and three. The most frequently occurring crime in Edmonton casinos is counterfeiting; 50

incidents (20% of all casino crime and 5.2% of all the counterfeit cases in the city) are included in the crime mapping data. The second most common criminal occurrence (23) at Edmonton casinos is theft from auto under $5,000, followed by general complaints (22) and public mischief (16).

Taken at face value, Table 6 shows that a minimal amount of crime takes place at Edmonton casinos and those that do occur with some frequency are generally considered minor crimes. Table 6 data should be viewed with caution however, because these criminal occurrences are limited to those that came under EPS purview. As noted in a later section of this chapter dealing with gambling venue security practices, security personnel handle many occurrences in-house. For example, criminal occurrence types such as assault, intoxication, minor in licensed premises, and uttering threats are more prevalent than what is indicated in Table 6. Table 6 is most instructive in showing the discrepancy in criminal activity between casinos and the subordinate role played by the EPS in monitoring crimes at casino locations. Once again, we note there are no listings for money laundering or loan sharking, activities that both the academic literature and casino security personnel say routinely occur in casinos.

1.4.2 Bingo Hall Crime Mapping

Edmonton is home to seventeen bingo halls, five of which are included in the crime-mapping analysis. Twelve bingo halls are part of larger complexes such as shopping or strip malls, which makes it impossible to separate bingo hall crimes from those occurring at other businesses in the same location. Consequently, Table 7 provides crime-mapping data for Edmonton's five stand-alone bingo halls.

TABLE 7
Edmonton Bingo Hall Crime Mapping Data
(Jan. 1, 2001 thru Aug.31, 2002)

Occurrence Type	Total	Bingo 1		Bingo 2		Bingo 3		Bingo 4		Bingo 5		Total	
	n	n	%	n	%	n	%	n	%	n	%	n	%
Assault	3069	0	0.00	0	0.00	0	0.00	1	.0003	0	0.00	1	.0003
B&E shop	1418	0	0.00	0	0.00	1	.0007	0	0.00	0	0.00	1	.0007
Bomb threat	36	0	0.00	0	0.00	1	2.78	0	0.00	0	0.00	1	2.78
Counterfeiting	957	1	.0010	0	0.00	4	.0042	0	0.00	5	.0052	10	1.04
Fail to appear notice	4719	0	0.00	1	.0002	0	0.00	0	0.00	0	0.00	1	.0002
False intrusion	5422	2	.0004	0	0.00	1	.0002	0	0.00	0	0.00	3	.0006
Family Disputes	5554	0	0.00	0	0.00	0	0.00	0	0.00	1	.0002	1	.0002
Fraud - cheque	700	0	0.00	0	0.00	0	0.00	1	.0014	0	0.00	1	.0014
Fraud – credit card	1234	0	0.00	1	.0008	0	0.00	0	0.00	0	0.00	1	.0008
Fraud – other	1305	0	0.00	0	0.00	0	0.00	4	.0031	0	0.00	4	.0031
General complaints	16668	0	0.00	1	.0001	2	.0001	10	.0006	0	0.00	13	.0008
General drug complaint	758	0	0.00	0	0.00	0	0.00	1	.0013	0	0.00	1	.0013
Have stolen goods	2044	0	0.00	2	.0001	0	0.00	0	0.00	0	0.00	2	.0010

Illegal possession	416	0	0.00	0	0.00	0	0.00	1	.0024	0	0.00	1	.0024
Lost property	2211	0	0.00	0	0.00	1	.0005	0	0.00	0	0.00	1	.0005
M/V injury collision	7865	1	.0001	0	0.00	0	0.00	0	0.00	0	0.00	1	.0001
Mental health act	973	0	0.00	0	0.00	0	0.00	1	.0010	0	0.00	1	.0010
Mischief under	8956	1	.0001	1	.0001	0	0.00	5	.0006	1	.0001	8	.0009
PD collision	21667	1	0.00	0	0.00	0	0.00	6	.0003	0	0.00	7	.0003
Remain at scene H&R	5270	1	.0002	0	0.00	0	0.00	2	.0004	0	0.00	3	.0006
Suspicious persons	3362	0	0.00	2	.0006	1	.0003	0	0.00	0	0.00	3	.0009
Theft from auto under	9864	1	.0001	4	.0004	1	.0001	6	.0006	0	0.00	12	.0012
Theft of auto over	1386	0	0.00	2	.0014	1	.0007	0	0.00	0	0.00	3	.0022
Theft of auto under	2545	0	0.00	2	.0008	1	.0004	1	.0004	0	0.00	4	.0016
Theft of truck over	1616	0	0.00	2	.0012	0	0.00	0	0.00	0	0.00	2	.0012
Theft under	5103	2	.0004	1	.0002	0	0.00	3	.0006	1	.0002	7	.0014
Tow vehicle	9497	0	0.00	0	0.00	1	.0001	2	.0002	0	0.00	3	.0003
Traffic complaint general	2566	0	0.00	0	0.00	0	0.00	1	.0004	0	0.00	1	.0004
Total	127,181	10	.0001	19	.0001	15	.0001	45	.0004	8	.0001	97	.0008

Out of 127,181 occurrences investigated by EPS for various offences in 2001-02, 97 (.0008%) took place in the five stand-alone bingo halls under consideration. The most frequently occurring offences were thefts from cars (15), general complaints (13), counterfeiting (10), and public mischief (8). Extrapolating these figures to include all seventeen Edmonton bingo halls yields a projected total of 329 (.0026%) occurrences.

Obviously, the number of occurrences investigated by the EPS at bingo halls is infinitesimal in comparison to the overall number of these occurrence types in Edmonton; furthermore, the majority of offences are misdemeanors rather than the felonies. Also, given that bingo halls do not have the elaborate security systems that casinos do, it is likely that these figures fairly reflect the amount and type of criminal activity associated with Edmonton bingo halls.

1.4.3 VLT Establishment Crime Mapping

During the data collection phase of this study there were 1,189 VLTs in the City of Edmonton located in 226 licensed venues. Because some of these venues are in malls or housed in structures comprising more than one business, useful crime mapping data was obtainable only from 175 venues containing 952 VLTs. While noting that the EPS responded to 3,772 occurrences at these VLT venues, we chose not to display this information in tabular form as was done with casinos and bingo halls. Detailed VLT data was excluded because it could easily be misinterpreted; to wit, staging gambling events is the primary function of casinos and bingo halls. VLT venues are different in that gambling is only one of several consumer options; our presumption is that most of these establishments would continue to exist even without VLTs. Given this distinction; we cannot accurately assess the percentage of crimes occurring in VLT locations that are gambling-related.

2. The EPS Role in Monitoring Illegal Gambling

Traditionally, enforcing the Canadian Criminal Code statutes pertaining to illegal gambling has been the responsibility of the EPS vice unit. Table 8 provides Canadian Centre for Justice Statistics data on the number of illegal gaming and betting offences that have occurred in the Edmonton metro area over the past decade.

TABLE 8
Edmonton Metro Area Gaming and Betting Offences (1991-2000)

Year	Offences
2000	42
1999	5
1998	6
1997	16
1996	2
1995	7
1994	5
1993	7
1992	37
1991	5

Source: Statistics Canada, Canadian Centre for Justice Statistics, Data Liberation Initiative. nd. Common Offences, Census Metropolitan areas, 1991-2000.

Obviously, the number of recorded illegal gaming and betting offences vary widely from year to year, ranging from 2 in 1996 to 42 in 2000. It is important to recognize that offences in this category depend on police activity to be discovered; there are seldom victims (in the usual sense) who file complaints with the police. Consequently, the fluctuation from year to year in the numbers of offences known to the police is largely a function of police efforts to root out such offences and bears little relationship to the actual number of such crimes taking place. For example, the 42 offences in 2000 all stemmed from the joint forces raid on an illegal card club. Had that raid not been conducted, zero gaming and betting offences would have been recorded that year.

To further our understanding of EPS's role in regulating illegal gambling we interviewed EPS members whose responses in the following categories are provided below:

2.1 EPS Resources Directed Toward Illegal Gambling

The EPS receives all of its operating dollars from the City of Edmonton. Recent population growth in Edmonton has created pressure on all City services and as a result, City Council has addressed only a small portion of the needs for new services in the 2003 budget. To assist in budget deliberations, the city's senior management team was asked to prioritize from one to eleven the revenue requests from various civic departments. EPS submissions for new police positions and funds to operate their helicopter were ranked tenth and eleventh.

Based on the City of Edmonton 2003 Budget Summary, EPS will be provided with an operating budget of $158 million. The new budget allows for 55 additional positions in the Patrol Division, including six new positions to support key strategic initiatives such as intelligence analysis. No new resources have been dedicated to reducing gambling-related crime.

EPS crime prevention initiatives. The EPS is guided by a "community policing" policy, which means that citizen, and community involvement is enlisted to address long-term crime solutions and public safety concerns, the most familiar of these programs being "Block Parent," Neighborhood Watch," and "Drug Abuse Resistance Education" (DARE). Other current EPS crime prevention programs target property, morality, and youth crime, there are no EPS prevention programs aimed at gambling-related crime.

EPS Vice unit resources, deployment and priorities. The EPS Vice unit has traditionally been tasked with monitoring illegal gambling. Currently there are six detectives in the EPS Vice unit and a seventh who has been seconded to work with an AGLC Gaming Investigation Team (GIT). Two of the seven detectives have received Ontario Illegal Gaming Enforcement Unit training in gambling investigations. In the past year and a half, the EPS has been involved in only one illegal gambling case, this being the joint forces initiative referred to earlier, whereby AGLC investigators, along with Calgary and Edmonton Police Service members, raided four illegal gambling houses in Calgary and Edmonton.

While technically still under Vice unit purview, illegal gambling investigations are a low EPS priority, accounting for an estimated 1% of the Vice unit's time. The EPS Vice unit's 2002 budget was $591,637, none of which is earmarked for illegal gambling investigations. Alberta Gaming pays the seconded EPS Vice unit member, who does, however, report to his EPS department head on a regular basis and this person reviews his performance. The benefit of this arrangement for the EPS is that they have a member working on illegal gambling investigations but are not paying for it.

For the most part, the six-person Vice unit focuses on sex crimes; usually four officers on prostitution (child, street, massage parlors, escort agencies, strip joints, running a "John school" for individuals convicted of soliciting prostitutes, and staging an alternative measures program that teaches life skills to prostitutes and helps direct them into mainstream society); and two officers on child pornography (luring children into the activity and distribution via the Internet). All members participate in various "sting operations" which can take up to a week at a time.

Vice unit priorities are set according to the perceived severity of the crime (generally crimes against people have a higher enforcement priority than do property crimes) and to some extent, by the number of complaints received and the apparent "visibility" of a problem; for example, many calls are received from businesses and citizens in neighborhoods frequented by prostitutes, and street prostitution is a popular topic in local media outlets. Consequently, street prostitution is closely monitored.

Illegal gambling monitoring. AGLC Gaming Investigation Teams now handle illegal gambling surveillance in Edmonton. The Edmonton area team is comprised of two Alberta Gaming investigators, a seconded EPS vice unit member, and a seconded RCMP officer. Illegal gambling complaints received by EPS are now turned over to AGLC GITs; EPS will assist if required.

One of our respondents has been in charge of the Vice unit for one and a half years and has yet to deal with an illegal gambling case. He acknowledged the existence of bookmakers and illegal card rooms associated with various ethnic communities and noted that these operations are concealed and hard to infiltrate, but most importantly, there are few complaints about them.

The evolution of EPS illegal gambling policy. Illegal gambling operations were closely monitored by the EPS Vice unit up until a decade ago, this focus gradually dropped in priority for the following reasons:

- In the 1980s and early 1990s, the EPS Vice unit had two detectives who had an interest and background in illegal gambling investigations. When these gentlemen retired their gambling investigation expertise was not replaced.
- Illegal gambling investigations are labor intensive, often involving stakeouts and wiretaps that take up considerable police resources.
- With the advent of expanded legal gambling in the early 1990s (VLTs, additional casinos, slot machines, and bingo halls), gambling lost much of its social stigma. With so much legal gambling available, it became difficult for the police to get enthused about curtailing an activity that is sanctioned and promoted by the government; especially, when some illegal games (e.g., sports betting and poker) offer better odds and services than their legal counterparts. It is not that Vice unit members thought illegal gambling was a completely harmless activity; in their view, it is often associated with other forms of criminal activity; however, given the prevailing legal and political climate, the Vice unit's time and efforts are perceived to be better spent elsewhere.
- Alberta Gaming's overriding interest in protecting the integrity of the gaming industry has resulted in an expansion of its regulatory and investigatory capacity. For example, in recent years the AGLC has developed an interest in illegal gambling because it directly competes with government-sanctioned gambling formats. To counter this threat, Alberta Gaming has hired former municipal police officers to staff its Investigation Branch.
- Other vices became more prominent; for example, child pornography was less noticeable before the Internet became readily accessible, now it takes up one-third of the Vice unit's resources.

In reviewing the Edmonton Police Service 2001 files for instances of gambling-related crime, we were struck by the dearth of information on unlawful gambling activities such as bookmaking, illegal gaming houses, and illegal gambling machines. From interviews conducted with western Canadian law enforcement officials for an earlier study (Smith & Wynne, 1999), we learned that bookmaking and unlicensed card rooms were prominent activities in western Canada's major urban centers. As researchers our interest was piqued as to why the EPS made no arrests for these activities in 2001-02, when supposedly, they are commonplace. As our EPS Vice unit respondent made clear, this is because Alberta Gaming investigators are now policing illegal gambling.

A key respondent from another Alberta urban police service commented that the "policing of illegal gambling is falling through the cracks. I thought that AGLC's involvement would solve this problem, but so far it doesn't appear to be so." He went on to say that the extent of illegal gambling in his city is "huge, especially among certain ethnic communities." From his perspective, AGLC investigators have done an excellent job of eliminating illegal gambling machines; however, he reports that bookmaking operations are flourishing because no one is monitoring them. Up to this point, bookmaking investigations have not been an AGLC priority; the emphasis has been on illegal machines and card rooms, activities perceived to have a greater impact on government gambling profits. As our key respondent noted, it is a mistake to ignore sports bookmaking operations because this is where organized crime can gain a foothold: to wit, the larger Alberta bookmaking operations need sources to "lay off" action in order to balance their books, thereby avoiding a major loss. Lay off bets are taken by larger bookmaking operations in bigger cities (e.g. Vancouver for Alberta bookmakers) that may have ties to organized crime.

3. AGLC Investigations of Gambling-Related Crime

The Investigations Branch is an arm of AGLC's regulatory division responsible for ensuring the integrity of gaming in the province. In meeting this objective, the Investigations Branch performs the following primary duties:

- Enforces the terms and conditions of AGLC licensing agreements.
- Performs due diligence (background checks) on individuals in the legal gaming industry, including owners of gaming establishments, gaming industry employees and volunteers, and gaming equipment suppliers.
- Investigates criminal occurrences related to licensed gaming.
- Gathers, analyzes and disseminates intelligence to assist provincial law enforcement agencies.

A primary reason for the upstanding reputation of the Alberta gaming industry is the careful scrutiny that all companies and individuals must undergo in order to be licensed. Included in a pre-licensing investigation is a full disclosure of the company's corporate structure along with detailed individual and corporate financial histories, a verified police agency criminal records check and a comprehensive account of any previous gaming involvement in other jurisdictions.

In addition to its enforcement mandate, Alberta Gaming's Investigations Branch employs the following strategic initiatives designed to control and prevent criminal behavior and/or criminal influence in the gaming industry:

- Liaison with casino management and casino security personnel.
- Maintain a frequent presence in casino facilities.
- Provide security and procedural advice to bingo associations and charitable organizations.
- Cooperate with AGLC gaming products and services employees to detect, prevent and investigate occurrences that may compromise the integrity/security of electronic gambling machines.
- Establish partnerships between AGLC and the following provincial law enforcement agencies; Canadian Intelligence Service Alberta, Solicitor General, Alberta Justice, RCMP, Edmonton, Calgary, Lethbridge, and Medicine Hat Police Services.
- Creation of Gaming Investigation Teams (GITs).
- Development of Gaming Investigation Network (GIN) website.

Gaming Investigation Teams are part of an innovative crime prevention initiative developed and funded by the AGLC. Essentially, GITs are multi-agency task forces formed to combat organized and serious criminal activities related to both legal and illegal gambling. The GIT cooperating agencies are those listed above in bullet # 5 and the investigative focus is directed toward gaming-related wrongdoings such as cheating at play, thefts from charities, illegal gambling (for example, unlicensed gaming houses, bookmaking, illegal raffles), money laundering, and loan sharking). The GITs have been given a three-year trial period, and have only recently become fully operational. Assuming that the predicted benefits of GITs (enhanced capacity to combat gaming-related crime and increased public confidence in the integrity of legal gambling) become a reality, it is likely that GITs will become a permanent fixture in the AGLC's Investigation Branch.

Between Jan. 1, 2001 and Aug. 31, 2002 in the City of Edmonton, the AGLC Investigations Branch conducted 182 gambling-related criminal investigations that encompassed a total of 230 incidents. Some of the files resulting from these investigations contain multiple incidents and these incidents range from relatively minor to serious offences.

3.1 AGLC 2001-02 Data

Table 9 lists the 230 incidents contained in the AGLC Investigations Branch files that occurred in Edmonton over the twenty-month period covered by this study and indicates whether or not charges were laid.

TABLE 9
AGLC Incidents January 2001 to August 31, 2002

Incident Code	Incident Type	Total Incidents	Charges Laid
266 CC	Assault	3	3
267(a) CC	Assault with a Weapon	1	1
	Assist EPS	2	
	Assist RCMP	2	
	Attempted car jacking	1	
145(3) CC	Breach of recognizance,	1	1
	Causing a disturbance	1	
209 CC	Cheat at play,	33	2
	Creating a disturbance	2	
342 CC	Credit card theft/forgery,	4	2
259(4) CC	Driving while disqualified,	1	
	Enforce U.S. judgment for gambling debt	2	
	Failing to obtain license	1	
362(2)(a) CC	False pretence over,	1	1
362(2)(b) CC	False pretence under,	1	1
121(1) CC	Fraud on the government,	1	1
380(1)(a) CC	Fraud over	3	3
	Gambling video investigation	1	
	Illegal chips	1	
	Illegal gaming	9	
	Illegal gaming worker	1	
	Intoxicated	1	
	Lost item	1	
	Misuse of gaming funds	3	
	Money laundering	2	
129(A) CC	Obstruct police officer,	2	2
139(2) CC	Obstruction of justice,	1	1
364(1) CC	Obtain meal/accommodation by fraud,	1	1
	Offenders with parole gambling prohibitions.	1	1
246(a) CC	Overcome resistance	1	1
	Overpayment/underpayment	33	
403(A) CC	Personation with Intent,	2	2
25(b) MVAA	Possess altered or defaced driver's license,	1	1
450 CC	Possess counterfeit money	5	2
24(3) MVAA	Possess more than one driver's license,	1	1
4(1) CDS	Possess narcotic	3	2
88(1) CC	Possess offensive weapon,	1	1
8(1) CDS	Possess property obtained by offence,	2	2
	Possession of stolen money	1	1
	Raffle fraud	1	1
70(b) GLA	Re-entry into licensed premises,	4	2
	Refusing to produce ID to cash in over $10,000	1	

	Registered gaming worker investigation.	33	
	Slot/VLT machine malfunction	4	
	Suspicious persons	5	
	Suspicious transaction	3	
	Theft of dice	1	
334(a) CC	Theft over,	6	2
334(b) CC	Theft under,	26	7
5(1) CDS	Traffic in a controlled substance,	1	1
368(1) CC	Utter forged document	5	3
452 CC	Utter possess counterfeit money	2	2
264.1(1)(A) CC	Utter threats,	4	2
Total		**230**	**53**

CC – Criminal Code
CDS – Controlled Drugs and Substances Act
MVAA – Motor Vehicles Act Alberta
GLA – Gaming and Liquor Act

The most frequently occurring incidents investigated by the AGLC include cheating at play (33), over/underpayment of winnings (33), background checks on registered gaming workers (33), thefts (33), and illegal gaming (9). Charges were laid in 53 (23%) of the incidents, usually in connection with serious crimes such as fraud, theft, assault, obstructing a police officer, and forgery. For analytical purposes we have combined similar AGLC incident types and outlined the major gambling-related crime categories below:

Cheating at play: Cheating at play ordinarily refers to scams occurring at casino table games; in this analysis we also include cheating incidents involving other gambling formats. Thirty-three incidents of cheating at play were investigated by the AGLC; sixteen files pertain to electronic gambling machines (slots or VLTs), twelve to casino table games, two each with pull-tabs and lottery tickets, and one with publicly sold videotapes on how to win at slot gambling.

Comments on the AGLC cheating at play files:

- Common strategies used to cheat gambling machines include (a) using improper currency (e.g., slugs, coins with holes drilled through the middle, lower denomination coins (e.g. pennies in a quarter machine or quarters in a loonie machine; (b) cashing out other players credits when they leave the machine; (c) the use of tools such as magnets and wires; (d) knowingly taking advantage of malfunctioning machines; (e) jamming machines coin chutes; and (f) sticking a hand in the machine.
- The casino patron incidents involve players "pressing" or "pinching" bets, marking cards, being a suspected card counter or monitoring individuals who have a past history of cheating.
- Three cases involved casino dealers; one was given a 12-month conditional discharge, one case is still unproven but the suspect remains under observation, and one dealer reported to management about being approached by two players to participate in a cheating scam.

- One case involved collusion between a pit boss and a player whereby the player claimed to have won the "Royal Flush" jackpot ($141,000) at a Caribbean draw poker table. Surveillance tapes showed the player had been passed the winning hand by the pit boss (this case was also in the EPS files).
- Both pull-tab incidents involved using altered tickets to win a prize and the lottery ticket cases concerned the presentation of invalid tickets for payout.
- Except for one pull-tab incident and a few of the machine cheating scams the cheating at play suspects were all males.
- An unusual investigation involved reviewing late actor James Coburn's widely advertised video on how to beat slot machines. It was suspected that the tape might contain information that could be used to cheat the machines; investigators found no evidence that this was the case.
- There are several reasons for the low number of charges laid in this category: (a) insufficient evidence—no videotape or witnesses, (b) the suspect admits to cheating and makes restitution, or (c) the dollar amount is small. Even though formal charges may not be laid, suspects are often banned from the gambling venue, or in the case of gaming workers, registrations are revoked.

Player over/underpayments: This category applies to players cashing in chips, credits, or tickets and being either over or underpaid. AGLC files contain 33 incidents in this category.

Comments on player over/underpayments:

- The vast majority of instances are overpayments.
- The overpayments range from a low of $45 to a high of $1886 with the majority between $500 and $1,200. There was one incident of an underpayment, the player was later identified and paid the $1,000 owed.
- In most instances the overpayment is the result of an honest mistake (e.g., a flustered cashier miscounts the money) or misreads a stack of chips (e.g., paying $50 for $5 chips).
- Over-reimbursed patrons can be charged if there is evidence of overpayment (e.g. surveillance camera) and they refuse to return the extra funds. No charges were laid in these 33 incidents because the money was repaid, the suspect was not identified or there was insufficient evidence to prove intent or collusion.

Registered gaming worker investigations: Alberta gaming workers are checked for prior criminal convictions before gaining employment in the industry and are required to disclose any change of status in this regard while on the job; failure to meet this standard results in loss of registration. AGLC files contain 33 incidents in this category.

Comments on registered gaming worker investigations:

- Many instances in this category pertain to individuals who fail to report outstanding criminal charges against them, either because documents were falsified to get the initial registration or information about recent criminal charges is withheld. One case involved an unregistered individual working in a casino.
- AGLC files show on the job gaming workers facing charges for crimes such as assault, assault with a weapon, possessing false documents, drug possession and drug trafficking.
- A second way that gaming registration is jeopardized is through inappropriate job site behavior; for example, assaulting/abusing a patron or fellow worker and stealing from patrons, employer, and other workers. If proven, this behavior results in dismissal, loss of registration, and possible criminal charges. When evidence for a criminal charge is lacking, gaming registration may be suspended during the investigation.

Theft: Law enforcement agencies distinguish various types of theft, these incident types (41 in total) are combined under the umbrella "theft" category and break down as follows: (a) theft under $5,000 (26), (b) theft over $5,000 (6), (c) fraud (4), (d) credit card theft (4), (e) car theft (1), and (f) theft of dice (1).

Comments on theft incidents:

- The majority of the 26 **theft under $5,000** occurred in gambling venues and were perpetrated by gaming workers; examples include: (1) tampering with a VLT to obtain $1,760, (2) two instances of poker dealers stealing $300 worth of chips, (3) a casino slot cage cashier intentionally making a $4,500 overpayment to a confederate, (4) a casino employee taking coins from slot machines and giving them to her mother, (5) a former casino employee and two confederates stealing $2,150 from slot machine cash drawers; two cash drawer keys were found in their possession, (6) a player caught taking $100 from the slot cage; the perpetrator was remorseful and claimed to be under financial duress because of his spouse's gambling addiction, (7) $6,200 was missing from a casino's poker room safe, 13 staff members were interviewed but the culprit was not found, (8) a community league volunteer suspected of stealing from the prize payout tray and altering payout sheets at three bingos, and (9) a non-profit association volunteer keeping $1,900 in pull-tab sales.
- **Thefts under $5,000** resulted in seven charges; in some incidents there was not enough evidence to press charges, the money was repaid or the amount stolen was under $100.
- A near equal number of males and females were involved in these thefts.
- In regard to the six incidents of **theft over $5,000** four involve casino employees and two were charity organization volunteers. So far, only two charges have been laid, as investigations are ongoing. The casino incidents include (1) a female observed on videotape taking money from another employee's float and from a casino cash drawer ($6,200); (2) a male casino worker suspected of stealing $167,000 from casino bank deposits;

(3) a male dealer believed to have intentionally paid out $4,000 on a losing blackjack hand (total loss to the casino of $8,000), and (4) a female slot cashier short $5,300 in her cash float. Both charity volunteer cases involved females; a theft of $5,100 from community league gaming funds and a sports organization missing $31,000 in gaming proceeds.

- One **fraud** file concerns an embezzlement of $80,000 from a non-profit society by the organization's president; another involves a high-ranking government employee using a government credit card to illegally obtain $18,600, which was used to play VLTs. In two other incidents non-profit group gaming funds are unaccounted for, $20,000 in one case and $14,300 in the other.
- The **stolen credit card** incidents all involve individuals using casino cash call machines where losses of $4,000, $11,000, and $23,500 occurred.

Illegal gaming: It is a Criminal Code of Canada violation to operate games of chance that are not licensed by a provincial government and where the operator charges a fee for running the game. Since illegal games compete with government authorized gambling formats, AGLC investigators attempt to shut them down.

Comments on illegal gaming:

- AGLC files contain nine incidents of illegal gaming investigations; six involving suspected illegal poker clubs and three involving miscellaneous illegal gambling formats.
- Illegal gaming house investigations are often prompted by complaints and are directed toward premises such as social clubs or restaurants frequented by various ethnic groups. No charges were laid in these investigations, as the complaints could not be substantiated. This is not unusual because it is difficult for law enforcement groups to infiltrate these games unless they have an undercover agent of the same nationality. All six investigations concluded with the comment that the suspected premises would continue to be monitored in an effort to gather information on the activities taking place.
- The remaining illegal gaming investigations involve a suspected pyramid scheme that allegedly involved 25 Edmonton casino employees—no charges were laid as it was believed that the scheme was no longer operating; an on-line NCAA Final Four tournament pool—organizers claimed the pool was a non-profit operation and agreed to shut it down; and an entrepreneur charging a fee for players to participate in a tournament featuring a game called "Magic the Gathering"—the organizer withdrew from arranging further tournaments.

The remaining incidents investigated by the AGLC occurred infrequently and are aggregated under the catchall "**other incidents**" category.

Comments on "other incidents":

- Two instances of **passing counterfeit currency** at Edmonton casinos were uncovered by AGLC investigators: in one case two 19-year-old males attempted to buy in at a high stakes poker table with twelve phony $20 bills and in the second instance, a 21-year-old male was arrested for attempting to obtain chips with counterfeit $20 bills. No charges were laid in either case.
- Two occurrences related to individuals violating terms of the **voluntary self-exclusion** contract; that is, two males in their twenties who had registered with provincial authorities to be kept out of casinos were spotted on the premises. In one case, it was the eighth violation, in the other, the sixth violation and the individual was wearing disguises in order to fool security personnel. In each instance, violation tickets of $115 for each offence were issued.
- Two incidents of suspected **money laundering** occurred whereby individuals attempting to cash out for more than $10,000 at a casino refused to complete financial transaction reports. Both suspects refused to provide identification and left the premises.
- There are several accounts of **assaults, disturbances, and uttering threats**. Two male suspects set off firecrackers at a casino craps table, supposedly to create a diversion for some unknown criminal activity—no charges were laid; three assaults were perpetrated by gaming workers; two against fellow employees and one against a service provider—no charges were laid; and there are several instances of disgruntled players having to be subdued after threatening casino personnel.
- Two files contained information on **mail not reaching its intended destination**. In both cases convenience stores did not receive shipments of lottery tickets—in one instance five winning tickets had been cashed.
- The Investigations Branch responded to requests to have a **Canadian court enforce a United States judgment** against two Edmonton residents regarding gambling debts of $114,600 and $128,900 incurred in the U.S. Background checks were completed but neither party was located.

3.2 AGLC/Police Service Consultations

As part of its comprehensive Gaming Licensing Policy Review (2001), the AGLC consulted with RCMP and municipal police service representatives to obtain feedback on how the management and control of Alberta's legal gaming activities could be accomplished in the most socially responsible manner. Important issues raised during this consultation process include:

- Expanded legal gambling opportunities create increased police workloads, yet there are insufficient police resources to deal with gambling complaints; consequently, violent crimes take precedence over so-called "softer" gambling-related crimes.
- At present, efforts to collect and analyze gambling-related crime statistics are inadequate. In order to discern the impact of gambling in Alberta, the

province must accurately qualify and quantify gambling-related crime data.

- To strike the proper balance between revenue generation and social responsibility, the AGLC has to substantiate the link between gambling and crime and then provide funding to regulate and police it properly.
- The AGLC should consider establishing a permanent regulatory or police presence in casinos.
- Joint forces operations funded by government gaming revenue would help address the social impacts created by gambling expansion.

So far, the AGLC response to these concerns has been to provide funding for RCMP and municipal police officer secondments to provincial gaming investigation teams (approximately five salaries). Not implemented yet is direct funding to municipal police forces, a police presence in major gambling venues, and a method of accumulating accurate gambling-related crime data.

4. RCMP "K" Division Perspective on Gambling-related Crime

RCMP files were not searched because gambling-related crime in the city of Edmonton is primarily under EPS jurisdiction. However, given that the RCMP gathers intelligence that may relate to Edmonton-based gambling-related crime and sometimes works with the EPS and AGLC on joint forces operations, interviews were conducted with "K" Division representatives.

The RCMP has primary police jurisdiction in rural Alberta and in some medium sized communities (e.g. Red Deer, Fort McMurray, Grande Prairie, St. Albert, Sherwood Park, Stony Plain) where they are contracted to handle municipal policing duties. If a gambling-related crime occurs in a primary jurisdiction area, the RCMP should presumably lead the investigation. However, given that the RCMP has phased out its gambling specialist positions, they often rely on the AGLC to spearhead the investigation.

According to our respondents, the Edmonton area RCMP began a practice a few years ago of only assisting with AGLC and/or EPS gambling investigations, because in their view, the RCMP no longer had the capacity to lead gambling investigations unless there was a proceeds of crime component to the case. This policy evolved for two main reasons; (1) not filling the gambling expertise vacuum when seasoned investigators retired (at present, only one Edmonton-based RCMP member has received the requisite gambling investigation training), and (2) the mild penalties meted out in court for illegal gambling offences were perceived to be not worth the time and effort to mount serious investigations. In multiple offence cases, the RCMP typically lays charges that yield the greatest penalty. Under these circumstances, gambling offences often take a back seat to more serious crimes.

As with the EPS, RCMP "K" Division has allowed the AGLC to become the dominant agency in Edmonton area gambling-related criminal investigations. The AGLC is to be commended for filling a void created by Alberta police agencies, which are less inclined to pursue gambling investigations due to diminished resources. According to one law enforcement interviewee, "the AGLC investigators are well-trained ex-police and RCMP members who know what they are doing; communication channels are open both ways, there is a good flow of information." The AGLC provides monthly summary reports to Alberta law enforcement agencies outlining their most recent investigative efforts. Typically, these reports contain information such as cheating at play scams, gambling industry employee thefts, and embezzlements from charity gaming proceeds. The RCMP was slow to participate in the AGLC gaming investigation teams due to previous commitments such as providing security for last summer's G8 Summit meetings in Kananaskis; however, an agreement has now been reached whereby the RCMP will supply two members to the AGLC's gaming investigation teams (one each in the northern and southern regions of the province). According to key respondents, part of the RCMP's initial hesitation over partnering in these joint enforcement teams stemmed from philosophical differences over the enforcement of gambling laws. The points of contention being:

- Whether a police agency should relinquish its mandate of enforcing a particular section of the Criminal Code of Canada to a provincial government agency.
- A perceived conflict of interest when a government ministry (Alberta Gaming) markets, promotes, and licenses legal gambling, then at the same time, is expected to regulate itself. The consensus among law enforcement interviewees is that the Ontario model makes better sense. The Ontario Illegal Gambling Enforcement Unit receives provincial funding to carry out its mandate, but retains independence by being unattached to the provincial ministry in charge of gaming. As one key respondent noted, "the optics are better and it takes the politics out of it."
- A point supposedly missed in the present Alberta arrangement is that gambling has traditionally been of interest to organized crime groups, yet, according to some respondents, few AGLC investigators have a background in organized crime investigations.
- Finally, there is difference of opinion over whether or not an ongoing police presence is needed in casinos, as is the case in Ontario and British Columbia. "From a law enforcement perspective, casinos attract criminal types and therefore provide a wealth of intelligence, so why not use it? A similar rationale is used to support surveillance squads at airports and police assigned to high schools."

5 Gambling Venue Security Managers' Perspective on Gambling-Related Crime

To gain an industry perspective of gambling-related crime, in-depth interviews were conducted with the security managers of the city's five largest gambling venues: the Palace, Baccarat, Yellowhead, and Edmonton casinos and Northlands Park (horse racing and slot machine emporium).

Main duties and qualifications of gambling venue security personnel. The primary functions of the security staff at the major Edmonton gambling venues are identical; that is, to protect the organization's cash, assets, patrons, volunteers, staff, buildings and grounds. In addition, security officers control access to the premises (screening for minors and undesirables); provide customer service (e.g. escorting patrons to cars if requested and act as goodwill ambassadors when greeting patrons at the door); handle evacuation procedures; and offer emergency first aid care.

All but one of the gambling venue security managers interviewed is a retired RCMP officer. The lone exception is an individual who has made a career in the Great Britain casino industry security.

In terms of hiring new personnel, security managers look for comparable job experience (military training, other casino or private security involvement) and/or graduates from community college police and security programs. Other important attributes mentioned include reliability, trustworthiness, a willingness to learn, good public relations skills, common sense/level-headedness, loyalty to the company, a desire to improve oneself and taking pride in one's work. Though there are a few female security officers, the vast majority are male.

In-house job training is up to the same standard as it is for dealers and includes preparation in customer service, first aid, physical control techniques, and identifying problem gamblers. Casino security personnel get a higher base wage ($11 to $12 per hour) than do dealers ($7), but dealers augment their pay through gratuities. Northlands Park employs 15 full and 10 part time security officers. On a live racing day, 9-12 security personnel are on hand; days with no live racing feature 6 officers on the day shift and 8 at night. Local casinos employ 15 to 20 full time security staff (including surveillance camera monitors) and their deployment is based on peak or non-peak times; typically, in peak hours there are five or six security staff and one or two surveillance monitors on duty. This complement is reduced to two or three security staff and one surveillance monitor in non-peak hours.

There is considerable job turnover amongst gambling venue security personnel—approximately 25% annually—anyone still on the job after four years is considered a seasoned veteran. Three factors account for the high turnover rate; (a) the job is used as a stepping-stone to other positions, policeman, for example, (b) the relatively low pay scale, or (c) because the individual cannot fulfill the job demands.

Crime-related concerns for gambling venue security staff. In protecting the company's monetary assets and property, as well as patron, community volunteer, and staff safety, security personnel are vigilant for criminal activity. Obviously, unchecked criminal activity in a major gambling venue would undermine the whole enterprise. While EPS or AGLC investigators may be called on for assistance, gambling venue security staffs constitute the front line defense against crimes perpetrated on company property. In this law enforcement role, security officers are exposed to the following criminal or quasi-criminal behaviors:

Fraud:

- Counterfeit currency--as noted in the previous section on EPS gambling-related crime files-- nearly half the passing of counterfeit currency charges occur in gambling venues, especially at casinos.
- Fake credit or ID cards
- Meal by fraud

Theft:

- Purse snatching
- Removal of cash from slot machines
- Employee theft (cash, chips, materials)
- Car break-ins
- Winning players being robbed in the washroom or parking lot

Rowdiness, creating a public disturbance, assault:

- Fights between patrons or patrons and staff
- Intoxicated or drugged individuals who disturb other players and/or interrupt the smooth flow of the games
- Spousal disputes
- Vandalism
- Vagrancy/loitering/pandering

Cheating at play:

- Player/dealer conspiracies (use of marked cards, overpayment of a winning hand)
- Pressing and pinching bets (adding or subtracting chips from a bet based on the dealer's up card)

Other Criminal Activities:

- Prostitution
- Drug trafficking
- Money laundering
- Loan sharking
- Bookmaking
- Child neglect

Security-related incidents that happen on each shift are recorded and categorized. At one gambling venue the incidents are classified according to crimes against persons, crimes against property, medical incidents, general occurrences, and "other." By way of example, listed in Table 10 are the crime-related occurrences for the first six months of 2002 at one of Edmonton's major legal gambling venues.

TABLE 10
Gambling Venue Occurrences (Jan. 1, 2002 to June 30, 2002)

Crimes Against Persons (38)	Crimes Against Property (60)
Assault (3)	Break and enter (2)
Disturbance (9)	Cheating at play (1)
Disturbance/alcohol (12)	Counterfeit currency (37)
Disturbance/drugs (3)	Food by fraud (2)
Harassment (1)	Fraud (3)
Harassment/sexual (2)	Soliciting (3)
Loitering (2)	Theft (3)
Unattended child (2)	Trespassing (3)
Uttering threats (4)	Vandalism (6)

Table 10 provides the number and type of crime occurrences recorded by one major gambling venue's security staff. How each matter is resolved depends on the perceived severity of the incident. The vast majority of incidents are dealt with internally; that is, a warning, removal from the premises, and/or a suspension of privileges. In the event of a serious crime (robbery, assault with a weapon, car theft, etc.) police are notified. Security personnel are empowered to make house arrests; that is, detain a suspect until the police arrive. It is important to note that gambling venue security managers exercise wide discretionary powers in terms of how certain crime-related incidents are handled; as a general rule, the less fuss and publicity, the better it is for the gambling venue.

Employee thefts are common at large legal gambling venues (as they are at other large businesses) and are typically handled in-house. Ordinarily, employee theft results in job termination and loss of gaming industry registration; further steps are not always taken because the venues wish to avoid publicity and in some cases they lack confidence in the court system (one interviewee described the court system as a "joke," because a dealer convicted of stealing over $4,000 was given a conditional discharge). Exceptions do occur when the theft is from a gaming table and/or the theft is for a sizable amount; AGLC investigators and/or the police are called in and charges pressed in such instances.

While gambling venue interests may be better served by handling criminal activities internally, this approach contributes to gambling-related crimes being under-reported. Most gambling venue criminal occurrences never make it into police files. The security managers candidly discussed the criminal types that frequent their premises. Depending on the gambling venue, the greater or lesser likelihood there is of attracting so-called "undesirables" (generally speaking, downtown venues attract a "rougher" clientele than do venues in outlying districts). This observation is borne out by the numbers on each venue's "banned" list. All of the major Edmonton gambling venues exclude troublesome patrons; depending on the seriousness of the misbehavior, players may be banned for a day, week, three months or life. Banned lists in Edmonton's major gambling establishments range from 75 to 700 patrons; making the list can result from a single serious incident, but usually it's because of serial misconduct. Individuals on the list can be charged with trespassing if they return to the premises. Examples of unacceptable behavior that gets an individual on the list include destruction of property; abusing, assaulting and/or threatening staff or fellow players; cheating at play; employee theft; drug use and/or sales; and prostitution. One security manager noted that commercial interests sometimes dictate whether or not a player makes a banned list; for example, improper behavior by "high rollers" is tolerated more than it is from ordinary players. On the other hand, a legal activity—card counting (real or suspected)—is grounds for inclusion on the list.

Gambling venue security managers also discussed the presence of known criminals on their properties; the general response being that "known criminals are okay as long as they behave themselves." As one respondent stated, "They may be gambling with the proceeds of crime but they are spending the money not laundering it." Based on EPS intelligence, one respondent estimates that 15% to 20% of his "high roller" patrons are drug dealers.

In regard to money laundering in Edmonton's major gambling venues, the consensus among security managers is that it happens, but is seldom done blatantly. According to federal law, monetary transactions exceeding $10,000 must be recorded; criminals can beat the system by exchanging smaller amounts of cash and/or by having confederates make the transactions. One respondent noted that transactions exceeding $10,000 are fairly common; "We do the paper work and file the reports but nothing really happens with them. I suppose they're on hand for inspection in case an audit trail is required."

Loan sharking in and around gambling venues was mentioned by two respondents: "there are loan sharks around but we don't allow it on the gaming floor;" and "two of the biggest loan sharks are cab drivers." Depending on the perceived degree of risk and the potential client's level of desperation, loan shark interest rates range from the standard 10% per week to as high as 40% a day. Gambling venue security personnel are generally not overly concerned about loan sharking unless it occurs openly, mainly because they see it as an agreement between consenting adults and believe that the borrower is not necessarily a victim. "The borrowers go to a loan shark because, being bad risks, they have been denied access to conventional loans, thus it is their fault if they have to pay through the nose for the service." From a self-serving point of view, loan sharking helps a gambling venue because it keeps "busted" players in action. One way that loan sharking can compromise the gambling industry, however, is when employees use the service. One respondent told us "Many employees gamble, some of whom are problem gamblers, and some of them borrow from loan sharks at other casinos." This being the case, employees are vulnerable to extortion attempts or becoming involved in cheating scams should they fail to make their payments.

It is important to note that during the course of researching this project, a Vancouver-based casino company, already an Edmonton casino owner, purchased a second local casino. As it now stands, two companies own the four Edmonton casinos and their respective security managers oversee both operations. In the case of the take over, the new regime eliminated suspected loan sharks by placing them on its banned list.

We were told the new ownership philosophy is that "we won't knowingly allow any criminal activity on the premises whether it positively impacts on our business or not."

Prostitutes cruise gambling venues but unless they are overtly soliciting patrons their presence is tolerated. Mention was made, however, of an instance where ethnic gang members tried to recruit on-site waitresses to be hookers.

Gambling venue security interaction with law enforcement agencies. An important way that casino and racetrack security staffs coordinate their efforts with the AGLC's Investigations Branch is in enforcing the government's Voluntary Self-Exclusion Program. The coordination of efforts stems from it being an AGLC program that gambling venue security officers are expected to enforce. The program began in September of 2000 and allows adult Albertans who feel that it is not in their best interests to enter certain gambling venues, to be barred from these facilities. The interested party must formally request self-exclusion via a signed document, accompanied by photo-ID. The person can ask to be excluded for either six months, one year, two years or three years. Once officially in the program, the person cannot modify or cancel the agreement prior to expiry date and understand that gambling venue security personnel will have them removed from the premises. Violation of this agreement can result in a hefty AGLC-administered fine.

While not specifically a crime prevention initiative, the voluntary self-exclusion program indirectly helps to reduce crime by keeping problem gamblers from worsening their predicament. Knowing that problem gamblers are prone to commit crimes, if society can keep these vulnerable individuals from piling up gambling losses, their incentive to engage in criminal activity should significantly diminish. AGLC statistics show that Voluntary Self-Exclusion is a popular and rapidly growing program, to wit, in the final three months of 2000, 60 individuals entered the program; in 2001, the first full year of program operation, program participants increased to 334; enrollment figures doubled in 2002 to 669; preliminary figures for the first two months of 2003 show 84 new program registrants. At present there are 909 active program participants, with 238 agreements having expired.

When asked about their relationship with law enforcement agencies (EPS and RCMP) and regulatory personnel (AGLC), the consensus view of the security managers is that they have an excellent rapport and working relationship with the EPS, RCMP, and AGLC investigators. Gambling venue security staffs say that any suspicious activity is reported to the police and that they cooperate with law enforcement officers in mutually beneficial ways; for example, although there is no formal protocol in place, the police may provide a "heads-up" on criminals just released from jail, and in turn, security notifies the police if ex-cons enter the premises, as they may be violating a bail or parole condition. Similarly, gambling venues often report unusual cash transactions that may help trace the proceeds of crime and identify marked bills that may lead to solving robbery cases. An external law enforcement agency is called in on approximately ten percent of the gambling venue incidents: that is, EPS, if an arrest is needed (e.g. assault, drugs, counterfeit currency, theft, fake or altered ID) or the AGLC, in cases of cheating at play or internal theft. It is interesting to note that counterfeit currency is turned over to the EPS who then pass it on to the RCMP.

Beside the fact that these groups have a common mission (protecting the integrity of the games and eliminating crime), a good working relationship is fostered through comradeship or what one respondent referred to as an "old boys club." "So many of the AGLC investigators and gambling venue security managers are former City police or RCMP; they know one another from their previous jobs." When asked about the pros and cons of gambling venue security as currently structured, security managers offered the following comments:

- "There is still a ways to go to make it professional on all levels, although we have come a long way in the past ten years. We used to have only four security guys and three of them were part time."
- "We need more people doing surveillance, a computerized money management system, and a better way of detecting false IDs."
- "The on-line gaming information network controlled by the AGLC is set up so that gambling venues and law enforcement can also input information."

When asked about the advisability of having a full time police presence at major gambling venues, as is the case in Ontario and British Columbia casinos, respondent replies include:

- "We prefer our autonomy—after two weeks the police would be bored to tears."
- "Police in a gambling venue might be too narrowly focused, too black and white and overly structured—they may not be public relations oriented."
- "If there was a mini police force on-site, its primary focus should be cheating at play."
- "Having police on-site would be better for control purposes, but would also eliminate some players; there have been times at our establishment when two beat cops walk in on their normal rounds and a number of players head for the exits."
- "I can see it being a good idea in the proposed Native casinos because in other jurisdictions there have been problems with lax in-house controls, inaccurate record keeping, and band member interference with standard operating procedures."

Gambling venue security managers focus on ensuring the safety of employees, customers, and volunteers and protecting the commercial assets as well as the honesty and fairness of the games. They are somewhat less concerned with criminal activities such as loan sharking and money laundering that can positively impact the business operation's bottom line. Also, their penchant for handling some criminal activity internally, exacerbates the under-reporting of gambling-related crime. To accurately assess the impact of gambling-related crime on society, it is important to include the criminal activity that occurs in gambling venues but is not addressed by the police.

CHAPTER V
CONCLUSIONS AND IMPLICATIONS

1. Overview

Several goals guided this inquiry: First, to capture as much of the gambling-related crime as possible that occurred in a major Canadian urban center (Edmonton, Alberta) over a twenty-month period; secondly, to learn how law enforcement agencies and the gambling industry contend with gambling-related crime; and thirdly, to employ novel research strategies to broaden and deepen our knowledge of the purported relationship between readily accessible legal gambling and certain types of criminal activity. While recognizing the exploratory nature of this study, data for future studies in this area have been generated and grist for legislators and senior law enforcement officials' policy deliberations provided.

In keeping with the limitations of the data available to us, we are not in a position to make definitive statements; hence, the conservative nature of our conclusions and implications. The organization of this chapter corresponds with our two major lines of inquiry, namely: (1) what is the nature and scope of gambling-related crime in Edmonton? And (2) what are the law enforcement policies relative to gambling-related crime in Edmonton? In this chapter the findings under these two major headings are considered and evaluated, conclusions drawn, and implications presented.

2. The Nature and Scope of Gambling-Related Crime in Edmonton

In Chapter 2 we identify four main types of gambling-related crime and differentiate between crimes that are directly or indirectly gambling-related. Illegal gambling offences and crimes committed by addicted gamblers to support their habits are examples of directly related gambling crimes; whereas, many of the crimes that occur in and around gambling establishments are indirectly related. Sometimes the activity of gambling can be incidental to the crime; for instance, gambling venues are popular gathering spots where liquor is served, as are nightclubs and sporting events. In all three locations the combination of excitement, crowds, and alcohol can produce rowdy behavior and draw opportunistic criminals seeking to exploit the situation. The point is that gambling venues are not alone in this regard. A third possibility often emerges whereby gambling may be one of several factors that prompt the commission of a crime; for example, the perpetrator may be an alcoholic, drug user, or mentally unstable as well as an addicted gambler.

Five data sources were used to estimate the extent of gambling-related crime in Edmonton over the time period January 1, 2001 through August 31, 2002, namely: (1) an examination of relevant Edmonton Police Service files for the year 2001, (2) the creation of a gambling occurrence report form which was used by EPS officers to record any occurrences or complaints that were gambling-related for a seven-month period in 2002, (3) the application of EPS crime mapping technology which allows the addresses of selected Edmonton gambling venues to be matched with EPS data on criminal activity at those locations, (4) a review of AGLC criminal investigation files, and (5) interviews with the security managers of Edmonton's largest gambling venues (four casinos and Northlands Park racetrack) EPS, and RCMP members.

In combination with the second data source noted above, EPS case managers tasked with handling our occurrence forms and inputting file data alerted us to other gambling-related files that came across their desks.

2.1 The Magnitude of Gambling-Related Crime in Edmonton

To answer the research question, "what is the magnitude of gambling-related crime in Edmonton," we relied on relevant 2001-02 EPS files, Gambling Occurrence Reports, EPS case manager assistance, and AGLC 2001-02 criminal investigation files.

EPS 2001 file data. Reviewing 5,196 files for the year 2001, though intense and laborious, was helpful in terms of understanding a police officer's role and the work involved in gathering evidence, laying charges and getting convictions. The files did yield instances of gambling-related criminal behavior; however, what we uncovered is probably only a modest portion of what really occurs. We say this because:

- Police officers inquire about criminal motive, but because of time constraints, cannot always delve into the underlying causes of a criminal act; their focus is on identifying suspects, apprehending them, laying charges, and providing evidence that stands up in court. In other words, they want to close a case as expediently as possible. Consequently, it may not be germane to the investigation whether or not the crime was gambling-related.
- Many suspects engage in what the police call, "lawyering up;" that is, they refuse to answer questions unless their lawyer is present and, even in that circumstance, are unlikely to provide expansive answers.
- A significant number of EPS files are never resolved; that is, a crime is committed but no suspect(s) identified, so unless the crime occurred at a gambling venue, there is no way of knowing whether or not it was gambling-related. Statistics Canada figures for year 2000 show a case-clearance rate of 44% for Criminal Code offences occurring in Edmonton (Wood, 2002).
- Many gambling-related crimes are unreported and hence not entered into official databases. As we learned from gambling venue security managers, some criminal activity that occurs in their establishments is handled internally. These incidents are logged by gambling venue administrators for their own use.
- Another category of gambling-related crimes that sometimes go unreported are thefts by a family member from other family members or so-called "trusted employees" who steal from their employer to support a gambling addiction. Either because of embarrassment, wishing to avoid negative publicity or the anguish of "blowing the whistle" on family members/friends, no charges are pressed.

- Finally, from the research on problem gamblers in treatment and Gamblers Anonymous members (Blaszczynski & McConaghy, 1994) we know that over 50% of this cohort admit to having engaged in criminal behavior to continue their gambling, but only 20% say they have been convicted for a gambling-related crime. The obvious inference here is that another block of gambling-related crime is going undetected.

EPS 2002 file data. As noted earlier, a novel approach (the GOR) was used to gather information on gambling-related crime over the six-month period Feb. 1 to July 31, 2002. To augment data collection for this period we relied on the assistance of EPS case managers to identify gambling-related crimes as they created new files. Our experiment with the Gambling Occurrence Report was unproductive in capturing a significant portion of gambling-related crimes; only 26 forms were completed (mostly counterfeiting) in the six-month period; meanwhile EPS case managers turned up an additional 93 gambling-related files over the same time span. This means that only 21.8% of the 119 gambling-related occurrences between Jan. 1 and July 31, 2002 were identified through the GOR. We speculate that our lack of success in this area stems from the fact that police officers are already bogged down with paper work, and while the GOR had the blessing of EPS senior administrators, we could not require officers to complete the forms. The lesson learned is that in a stressful and demanding occupation such as policing, it is difficult to introduce a new reporting protocol and expect it to take hold immediately.

EPS 2001-02 mapping data. Crime mapping, which involves aggregating the numbers and types of crimes occurring at specific addresses, was applied to three of Edmonton's four casinos, five of the seventeen bingo halls, and 175 of the 226 VLT venues. EPS figures show 251 occurrences at the three casinos, 97 at the five bingo halls, and 3,772 at VLT venues. With regard to casinos and bingo halls, the most frequently occurring offences are counterfeiting, theft from automobiles under $5,000, general complaints, and public mischief. The VLT venue occurrences were not analyzed because the percentage of gambling-related crimes in these locations is impossible to determine.

AGLC 2001-02 investigations. The AGLC Investigations Branch responded to 230 gambling-related criminal incidents during this study's time frame. The most common incident types are cheating at play, player over/underpayment, violation of gaming worker licensing terms, theft, fraud, and illegal gaming.

Given the various methods used to chart gambling-related crime, we offer the following conclusions and implications regarding the occurrences in the EPS and AGLC 2001-2002 files.

Conclusions

- Of the 11,198 EPS files considered for the year 2001, 338 (234 observed and 104 projected) for a total of 2.7%% were gambling-related.
- Using the gambling occurrence report and EPS case manager assistance, 119 gambling-related occurrences were recorded over a seven-month

period in 2002. However, because there is no record of the number of files in each crime category we are unable to report the percentage of gambling-related occurrences as we did with the 2001 data.

- EPS crime mapping data for Edmonton casinos and bingo halls indicates that the EPS are called to these venues on a regular basis; however, the offences dealt with are relatively minor in nature and represent a small proportion of the crimes committed throughout the city.
- The gambling-related offences handled by the AGLC Investigations branch are quite distinct from those overseen by the EPS; in that, they concern direct threats to the integrity or profitability of Alberta's gaming industry. For example, cheating at play and gaming workers with a criminal background undermine the honesty and fairness of the games; whereas, player overpayments, employee theft, and illegal games constitute money subtracted from charity's and the government's bottom line.

Implications

The number of crimes linked to gambling in the EPS files may seem quantitatively unsubstantial. However, given that gambling-related crimes are not well identified, sometimes handled by AGLC investigators or gambling venue security officials, or simply undetected, this research shows only the tip of the iceberg. When EPS and AGLC gambling-related crime data are combined, they account for a significant body of criminal activity, requiring constant vigilance and effective coordination between law enforcement agencies.

Given the minimal overlap between EPS and AGLC monitoring of gambling-related crime, it would be worthwhile to task and fund one of these law enforcement agencies, or a neutral agency, with gathering, analyzing and disseminating gambling-related crime data from all available sources and making it publicly available. Without a method of securing accurate and comprehensive data on gambling-related crime from all sources and sharing this intelligence among law enforcement agencies, little headway can be made in determining the impact of widespread gambling on crime rates.

2.2 Trends in Gambling-Related Crime

In assessing trends in gambling-related crime we offer the following conclusions:

Conclusions

- The majority of gambling-related crimes in the EPS files are non-violent; that is, two-thirds of the occurrences are breach of trust type crimes such as passing counterfeit currency and frauds, versus one-third of the crimes (family disputes, robbery, and suicide) which are more violent in nature. None of the occurrences in the most violent crime categories (murder, attempted murder or manslaughter) were identified as gambling-related.

- In terms of economic impact, the gambling-related crimes most costly to society are the various types of fraud (e.g. credit card, forgery, embezzlement, etc.). Many of the cases reported in the EPS files were for more than $20,000 and several exceed the $100,000 mark. These are often situations where an innocent party is victimized by an addicted gambler.
- In terms of social impact, the most serious occurrences are suicides and family disputes; again, in most instances, gambling addiction is a prominent factor.
- Illegal gambling operations such as bookmaking or unauthorized card rooms are not an EPS priority, as there were no files for these offences, even though it is documented that illegal gambling is prevalent in western Canadian urban centers (Smith & Wynne, 1999).
- AGLC files indicate that, despite the thorough security precautions taken at major legal gambling venues (for example, up to twenty security staff, numerous surveillance cameras, infrared scanners, etc.) criminal activity still occurs at these locations.
- The majority of AGLC investigations involve crimes committed by gaming workers and to a lesser extent, charity group volunteers.

Implications

The majority of gambling-related crimes are non-violent, which is not surprising given that many of the crimes are committed to support a gambling addiction. Addicted gamblers are typically law-abiding citizens who reach a crisis state and become so desperate to get money to pay gambling debts or recoup losses that they cross a moral and ethical line and engage in criminal behavior. Most addicted gamblers are not physically aggressive or threatening to others; they typically acquire money through lying, conning, manipulation, and stealth (McGurrin, 1991). Once a gambling addiction is under control, a return to crime is unlikely. These factors should be considered by the courts and reflected in sentences requiring probation, restitution, and community service rather than jail time.

With the high dollar figures associated with gambling-related frauds, legal scholars (Beresh, 2002) are suggesting, that where a gambling addiction can be proven, victims should have a mechanism for recouping losses. Following this line of thought, Beresh believes the injured party should not have to successfully sue the individual who caused the loss, because by definition, the gambling addict is out-of-control. Future defense counsel arguments may try to link governments' knowledge of the addictive nature of certain gambling formats to their sanctioning of these formats. Such a case is currently before the Quebec courts. Arguing that a clinical addiction (gambling) can interfere with moral agency, lawyer Jean Brochu is suing Loto-Quebec, the bureau that oversees gambling in the province. Brochu's lawsuit is class action and includes himself and 120,000 other Quebecois who claim an addiction to video lottery terminals (VLTs). The plaintiffs are seeking damages of $4,863 each to cover addiction treatment and court costs (Boxenbaum, 2002a). Though largely a symbolic gesture, the suit raises perplexing questions such as: Does Loto-Quebec have a legal obligation to protect gamblers from themselves? Does the fact that VLTs generate $700 million annually for the province exculpate it for creating 120,000 addicts? Does the province have a legal and/or ethical duty to indemnify injured third parties who are victims of crimes perpetrated by addicted gamblers?

In terms of human and social costs, gambling addiction was a factor in four suicides and one suicide attempt in Edmonton in the 20-month period under study. Again, we emphasize that these numbers may understate the problem because in most cases there is no suicide note or even speculation as to why the people took their lives. Boxenbaum (2002b) concurs that gambling-related suicides are under reported when referring to the 109 suicides in Quebec directly linked to gambling since gambling expanded in the province in 1993: "For every death that can be attributed to suicide, through a note or confirmed by family members, I believe there are four who haven't left notes." Similarly, a gambling addiction was implicated in nearly all of the family dispute/domestic violence cases that came to our attention. Given the havoc that a gambling addiction creates for the gambler and those close to him/her, it may be an opportune time for major gambling venues to offer the services of on-site addictions counselors. Early interventions in gambling establishments may help addicted gamblers before they jeopardize their careers, relationships, and freedom and inflict misery on those around them.

Many of the offences dealt with by AGLC investigators feature large dollar amounts (thefts and frauds) and have the potential to harm the integrity of the gambling industry (cheating at play, workers facing criminal charges, and player overpayments). Keeping these crimes in check may require harsher penalties for these offences and/or a permanent law enforcement presence (either EPS or AGLC) at the major gambling venues. It would also be helpful for research purposes if AGLC investigators probed suspects about possible problem gambling behavior. To provide remedial measures it is important to know whether and to what extent, addicted gamblers are committing the frauds and thefts and whether problem gambling is a factor in the crimes attributed to gaming workers.

2.3 Legal Gambling Formats and Criminal Activity

Various gambling formats appear to attract different types and amounts of criminal behavior. In answering the question, "what legal gambling formats are most likely to be associated with criminal activity," we rely on EPS and AGLC file data and the information provided by gambling venue security managers. Given the limitations of our data we offer the following tentative conclusions:

Conclusions

- Few crimes are associated with non-continuous gambling formats such as raffles, lotteries, pull-tabs or Sport Select.
- Fast-paced, continuous gambling formats such as VLTs and slot machines are most closely associated with problem gambling; therefore, by

extension, the crimes commonly associated with problem gambling (fraud, domestic violence, theft, and suicide) are linked to the gambling formats with the highest addictive potency.

- Gambling venue cheating scams primarily involve casino table games or tampering with electronic gaming machines (slots or VLTs).
- Large gambling venues that attract sizable crowds (e.g. casinos and racetrack) are susceptible to crime occurrences such as counterfeit currency, credit card crimes, thefts, assaults and disruptive behavior, and money laundering.

Implications

Self-control theory is particularly cogent for explaining crimes committed by problem gamblers. Problem gamblers are by definition, out-of-control. According to Jacobs' *General Theory of Addictions (1989)*, problem gamblers are often individuals who are unhappy with their life circumstances and who use gambling as a coping strategy to numb their psychic pain or dissociate from reality altogether. The unhappy life circumstances may be a result of unresolved childhood issues, personality disorders, poor body image and so forth. Whatever the reason, people in this predicament are vulnerable to become problem gamblers. The preferred gambling format for many problem gamblers is electronic gambling machines; mainly because of the rapidity of play and their engrossment in the lights and sounds of the machine which allows them to dissociate from their worldly troubles.

VLT and slot play involve persons depositing money in machines that are pre-programmed to ensure that the machine will win over a given time period. The longer one plays the greater the likelihood of a loss. The extent of players' wins or losses is a product of chance; skill plays no part in the outcome. Machine gamblers are also known to harbor misconceptions about their chances of winning and how the machines actually work. Given the association between problem gambling and machine play (Smith & Wynne, 2002), and by extension, problem gambling and criminal behavior, it is important to consider harm reduction measures that are in effect in some jurisdictions (Hayward & Kliger, 2002); for example:

- Further restriction on the location of gambling machines and their daily operating hours.
- Banning machines with bill acceptors and eliminating ATMs.
- Reducing the maximum wager to $1.
- Calibrate machines for a slower rate of play and have them automatically turn off for ten minutes at one-hour intervals.
- Restrict player losses to $50 per hour.

These, and other interventions represent a socially responsible middle ground, in contrast to outright prohibition or a laissez-faire approach to machine gambling policy. One possibility is reducing accessibility to the machines (as the Alberta government has wisely done in putting a 6,000 cap on the number of VLTs in the province); the other is reducing the harmful consequences for those using the machines, as suggested above.

Implementation of these measures should moderate problem gambling prevalence rates, and in turn, reduce the number and severity of crimes committed by problem gamblers.

Criminal events occur in specific locations and are influenced by participant's perceptions of the physical and social milieu. In other words, there is something about particular locations that either increases or lessens the likelihood of crimes occurring. Moreover, because of the patterns of activity and types of individuals attracted to the setting, certain places become linked with particular criminal activities; for example, Edmonton's major legal gambling venues deal with criminal types who engage in game-related crimes such as cheating at play, are drawn to the rapidly circulating cash (e.g. theft and counterfeiting) or who endanger patrons and staff through fights, threats, disorderly conduct and harassment.

This discussion ties-in with the "routine activities" theory outlined in Chapter Two; the notion that the likelihood of a crime occurring increases when there is a convergence in space and time of a motivated offender, a suitable target, and the absence of formal or informal guardians to deter the potential offender. This theory helps to explain gambling-related crimes such as counterfeiting, credit card frauds, money laundering and loan sharking at major gambling venues as well as thefts from winning players at VLT establishments. Because of this vulnerability, large gambling venues employ trained security staffs, surveillance cameras, and banned lists. The same level of security is unavailable in smaller gambling venues and/or in venues that operate different gambling formats (e.g. bingo or VLTs).

2.4 Criminal Activities Associated with Gambling

Commercial gambling operations are susceptible to various criminal activities and problem gamblers are prone to commit certain crimes. EPS and AGLC file data were used to answer the question; which criminal activities are most likely to be associated with gambling? Based on our analysis of these files we provide the following conclusions on the types of crime most often linked with gambling:

Conclusions

- The most frequently occurring gambling-related crimes according to EPS files are counterfeiting, domestic disputes, various types of fraud (e.g. credit card, forgery, embezzlement), and robbery. Being charged with a gambling-related criminal offence is unlikely in counterfeiting and domestic dispute cases, but more probable in fraud, robbery, and assault cases.
- AGLC files indicate that cheating at play, theft, and fraud are the most commonly occurring and serious crimes they deal with. While many AGLC investigations concern player overpayments and gaming workers terms of employment, they rarely produce criminal charges.

- AGLC investigators are concerned with illegal gaming houses but have difficulty obtaining evidence to lay charges. Bookmaking investigations are a low priority for AGLC investigators.
- Money laundering and loan sharking are two gambling-related crimes that respondents say occur on a regular basis, but are rarely detected.

Implications

Though frequently occurring, counterfeit currency transactions in gambling venues rarely result in formal charges and the dollar amounts involved are typically under $100. Charges seldom result from domestic disputes unless there is evidence of violence causing bodily harm. Only a small percentage of fraud cases are ever solved, which makes it impossible to determine whether, and to what extent, problem gambling is a contributing factor to these crimes.

Because some gambling-related crimes are not rigorously enforced, the public receives mixed signals. Given law enforcement ambivalence toward bookmaking, money laundering, and loan sharking, deterrents for engaging in these activities are few and weak. Therefore, according to "rational choice" theory, personal judgments relating to compliance will soften and involvement in these activities will be perceived by those inclined to be worth the risk. In the same vein, legal deterrents are less effective when the gains seem to outweigh the risks because the gains are usually immediate, whereas legal sanctions are not only uncertain, but also in the distant future. Deterrence theory suggests that the above noted gambling-related crimes might be better contained with harsher penalties and swifter punishment (Gottfredson & Hirschi, 1990).

2.5 Crimes Committed Around Gambling Venues

Our literature review indicates that gambling venues attract opportunistic criminal types who are drawn by the crowds and rapidly circulating cash. Three data sources are used to answer the question: what types of crimes are affiliated with major gambling venues? These include: (1) interviews with gambling venue security managers, (2) EPS crime mapping outputs, and (3) AGLC files.

Conclusions

- According to major gambling venue security managers, the most frequently occurring crimes are counterfeiting, disturbances/assaults, vandalism, employee theft, and cheating at play.
- EPS mapping data indicate that the most common major gambling venue crimes responded to are counterfeiting, theft under $5,000 from automobiles, general complaints, and public mischief. The latter two categories roughly correspond to the disturbances, assaults, and vandalism noted above.
- Cheating at play, thefts (both over and under $5,000), and fraud are the main concerns of AGLC investigators in regard to major gambling venues.

Implications

As seen in the above conclusions, each enforcement group has a different priority in terms of what is attended to at major gambling venues. For example, casino security is focused on its business assets, patron and staff safety, and the smooth and expedient operation of the games. Consequently, behavior that interferes with any of the above is dealt with promptly and efficiently. The EPS is merely fulfilling its peacekeeping role by responding to calls for help; in this regard, a gambling venue is treated no differently than a call from any other source. The AGLC's main objectives are to make sure that the games are run honestly and fairly, the sponsoring charity and gaming provider are adhering to the terms and conditions of their licenses, and the charity gets what it is entitled to for hosting the gaming event.

The fact that each agency perceives its role differently indicates the importance of intelligence sharing and coordination between and amongst the groups. The AGLC's newly formed Gambling Investigation Teams (GITS) should be a progressive force in integrating law enforcement agencies to suppress gambling-related crime.

3. Enforcement Policy Pertaining to Gambling-related Crime

Drastic changes have occurred in gambling-related crime enforcement in Edmonton over the past two decades. Generally speaking, as legal gambling has expanded there has been less Edmonton Police Service and RCMP attention to illegal gambling and crimes occurring in and around major gambling venues, and more attention paid to these activities by the AGLC's Investigations Branch. The main reasons for this enforcement policy shift include: (1) changing EPS and RCMP resource allocation priorities, which saw gambling specialist positions not replaced after retirements and a concentration on vices such as prostitution and child pornography which are deemed more threatening to society than gambling-related crimes; (2) accompanying the EPS and RCMP's changing emphasis in dealing with vice crimes, is the belief that the criminal justice system treats gambling-related crime in a lenient fashion; hence, it is considered not worth EPS's or the RCMP's while to do major investigations that result in minor penalties; and (3) noting the EPS and RCMP's reluctance to devote resources to gambling-related crime, the AGLC bolstered its Investigations Branch with former EPS and RCMP members in an effort to thwart illegal operations that compete with licensed gambling.

3.1 Monitoring and Enforcing Gambling-Related Crime in Edmonton

To determine how gambling-related crime is monitored and enforced in Edmonton, we relied on interviews with EPS and RCMP representatives as well as interviews with security managers of Edmonton's casinos and racetrack. The following conclusions are based on our analysis of this interview data.

Conclusions

- Illegal gambling receives no proactive EPS monitoring; enforcement occurs to the extent that an EPS vice unit member is seconded to an AGLC Gambling Investigation Team (at AGLC's expense) and, although EPS responds to illegal gambling complaints, they rely on the AGLC to conduct the investigation.
- Ordinary criminal activities associated with gambling such as fraud, domestic disputes, robbery, and so forth are treated like any criminal offence and routinely enforced by EPS members. However, the investigating officer may not know of a gambling link to the crime, or if known, perceive it as irrelevant; hence, some gambling-related crimes are not recorded as such in EPS files.
- The Investigative Branch of AGLC's Regulatory Division has become the lead investigative agency in Alberta for monitoring gambling-related crime.
- Gambling venue security staff handle the majority of incidents (major crimes excepted) internally, which means that the enforcement of some gambling venue spin-off crimes (e.g. minor theft, assaults, disturbances, etc.) have, de facto, become their responsibility.
- Edmonton's casinos and racetrack security managers maintain "banned" lists of so-called "undesirables" who are subject to trespassing charges should they appear on the premises.

Implications

The widespread legalization of gambling in Alberta has reduced the stigma of participating in the activity (including illegal formats). That, and the light penalties meted out in court, has resulted in illegal gambling enforcement becoming a low priority for law enforcement agencies. Notwithstanding these circumstances, the statutes pertaining to illegal gambling remain in the Criminal Code of Canada. The lack of police oversight in this area prompted the AGLC to expand its investigatory powers to include illegal as well as legal gambling. This preemptory action is constructive to the extent that at least one agency is assuming a leadership role. Potential drawbacks of this approach are that provincial gaming regulators are assuming a primary police duty (enforcing Criminal Code violations); and there is potential for conflict of interest when the government agency that sanctions and markets gambling and is the major beneficiary of gambling proceeds, is also responsible for policing itself. Under this framework, the possibility exists that gambling-related improprieties will be downplayed or covered-up to avoid a scandal. As one respondent noted in a previous study, "the government is dependent on gambling revenue, so they don't want any bad publicity about it" (Smith & Wynne, 1999, p 75).

Illegal gambling enforcement raises several policy questions, including should: (1) Municipal police resources be bolstered to do the job? (2) The status quo be maintained, whereby illegal gambling laws are selectively enforced? (3) Amendments be made to the Criminal Code if illegal gambling laws are seen to be antiquated? Each of these options has pros and cons. For instance, scenario one has the advantage of retaining the police mandate for enforcing Criminal Code violations and making enforcement independent of government. On the other hand, money for extra police support in the form of manpower and training would have to come from the provincial government. In order to get government funding, EPS would have to prove that gambling expansion creates EPS workload problems. Given that EPS files do not comprehensively account for gambling-related crime, the case may be hard to make. In the current dispute between the City of Edmonton and the Enoch First Nations band over a proposed casino located directly adjacent to a city boundary, city officials say that significant infrastructure and policing costs will be incurred that will not be offset by tax revenue. This may be an accurate assumption, but in the case of increased police costs, estimating the increase in crime and traffic congestion will be difficult because detailed information on these impacts is lacking for the four existing Edmonton casinos. The Calgary Police Service faces the same dilemma. A recent Calgary Sun article indicated that the Calgary Police Service responded to casino locations 407 times in 2001, and that this number is expected to increase significantly if planned Native casinos in bordering communities go ahead (Kaufmann, 2002). The Calgary Police Service wants compensation from either the Tsuu T'ina First Nation and/or provincial government to handle the expected extra workload.

The benefits of scenario two, the status quo, are that a cohort of trained AGLC investigators is already in place and little new money is required to keep the operation running smoothly. The drawback is the previously noted lack of independence between the revenue generation and enforcement/regulatory sides of legal and illegal gambling.

The third scenario is a possibility, in that federal government officials are openly discussing revisions to the Criminal Code of Canada. It is not known, however, whether gambling statutes are being targeted, and, if so, which ones. Since laws against bookmaking are poorly enforced, treated leniently by the courts, and consequently being flouted with impunity in many parts of Canada, decriminalization would seem to be a possibility. The same could be said for Internet gambling, a format that is growing rapidly in an uncontrolled environment.

As a business operation, the primary concern of any gambling venue is profit maximization. To further this goal, it may be necessary to remove undesirable patrons from the premises—either temporarily or permanently. All of Edmonton's major gambling venues have "banned" lists comprised of individuals whose objectionable conduct threatens the smooth flow of the games, and hence, the company's bottom-line. The behavior that gets one banned for life, but not necessarily a criminal charge, ranges from assault, chronic intoxication, cheating at play, and suspected card counting. Conversely, known criminals who behave themselves are welcome, mainly because they have money and are willing to risk it in large amounts. The point is; sliding standards exist in terms of how patron activities are monitored in major gambling venues. For instance, misbehaviors that jeopardize profit margins are dealt with expediently and sternly; whereas, transgressions that coincidentally enhance fiscal returns are likely to be ignored or tolerated. In support of this position, there were no EPS files for loan sharking or money laundering in 2001, yet gambling venue security managers told us these activities occur in their establishments. A recent report from the Financial Transactions and Reports Analysis Centre of Canada (Dawson, 2002) identified banks, foreign exchange, casinos, life insurance companies, and security dealers as sites where over $100 million in suspicious transactions took place last year. An ongoing police presence in the major gambling venues should contribute to a more even-handed approach to crime monitoring.

3.2 Tracking Gambling-Related Crime

As noted throughout this report, gambling-related crime statistics are deficient for the following reasons: (1) investigating officers seldom dig deeply enough to determine whether or not occurrences are gambling-related; (2) file data are inconsistent, with some files containing considerable information that is useful for research purposes, and others providing only the sketchiest of details; (3) gambling-related crime statistics are kept separately by various stakeholders (e.g., EPS, AGLC, RCMP, and major gambling venues) and are not aggregated, nor publicly available; and (4) because of relaxed enforcement priorities, criminal activity such as bookmaking thrives, yet is not reflected in official statistics.

Conclusions

- The present system of recording gambling-related crime is inadequate for the purpose of determining the impact of legal or illegal gambling on crime rates.
- Our attempt to incorporate a gambling-related crime form (GOR) to improve the existing database for this activity proved ineffectual, largely because it increased EPS officers already overwhelming reporting duties.
- Record keeping limitations (as noted throughout the study) result in an underestimation of the extent and severity of gambling-related crime.

Implications

Obviously, the above conclusions are only relevant if one believes in the importance of measuring gambling impacts on crime rates. We presume that both the Alberta Gaming Ministry, whose major purpose is to manage legal gaming activities in a "socially responsible manner" (Gaming Licensing Policy Review, 2001), and law enforcement agencies, which must justify their requests for additional resources, are vitally concerned about accurate assessments of gambling impacts. Given that this is the case, we present the following suggestions for improving the situation: (1) Despite the fact that our attempt was unsuccessful, we still believe in the long term value of law enforcement agencies using the gambling occurrence report, or a facsimile, to record all gambling-related incidents. To assist in retrieving this data and avoid additional paper work, it may be possible to computer-code gambling-related occurrences to flag them for researcher follow-up, either through EPS files and/or with the investigating officer. (2) An agency such as Criminal Intelligence Service Alberta (CISA) be tasked and funded to collect, collate and disseminate gambling-related crime statistics from municipal police, RCMP, gambling venue security managers and the AGLC for the purpose of compiling an annual report which would be available to the public.

3.3 EPS Resources to Enforce Gambling Laws

The EPS receives its operating dollars from the City of Edmonton. The recent growth spurt in Edmonton's population base has placed pressure on all City services and as a result, the City is able to address only a small portion of the requirements for new services in the 2003 budget.

According to the Edmonton Police Services 2003 budget, which was approved December 19, 2002, the City of Edmonton will provide the EPS with a total operating budget of $136.9 million dollars. The 2003 budget provides for an additional fifty-five full-time positions to be designated as needed.

The strained financial resources, and the deficiency of statistics that may identify gambling-related crime as a possible area of concern, make it difficult for the EPS to designate resources specifically to deal with this type of crime.

Conclusion

- Minimal resources are provided by EPS to enforce gambling laws, and these are confined to the cost of training two officers in gambling investigations and providing an officer to an AGLC Gaming Investigation Team, at AGLC's cost.

Implications

Based on priorities, available resources, previous court decisions, and recent AGLC initiatives, the EPS policy is sensible. The EPS benefits from the status quo in that it can rightfully claim to be helping the cause by allowing the AGLC to second one of its members. However, this approach still begs the question of whether or not it is appropriate for a police service to relinquish part of its Criminal Code enforcement mandate to a provincial government regulatory agency. Policing gambling-related crime in an optimal fashion would require the EPS to invest considerable additional resources, conceivably, two officers on illegal gambling detail and ten to twelve officers to cover the major gambling venues. By comparison, the Windsor and Niagara Falls police services each added 25 officers when large casinos were opened in these communities.

EPS senior officials contend that decisions made by both the federal and provincial governments often increase the agency's workload; yet, no financial compensation is forthcoming to shoulder the added responsibilities. For example, in the context of monitoring gambling-related crime, the proposed major expansion of the downtown Baccarat Casino and the pending First Nation casino on Edmonton's western outskirts will create appreciably more EPS work with no accompanying boost in resources. EPS's position is that since the provincial government adds to its coffers when legal gambling is expanded, the government should recognize that gambling expansion passes on costs to municipalities that so far, have not been appropriately redressed.

Ontario's strategy for controlling illegal gambling and targeting organized crime involvement in illegal gambling is leading edge. Forty members (comprised of Ontario provincial police and municipal police officers), divided into five squads, make up the multi-jurisdictional Ontario Illegal Gaming Enforcement Unit (OIGEU). Also attached to the unit are designated "proceeds of crime" officers assigned to every investigation, crown attorneys trained in illegal gambling prosecutions, and forensic scientists who assist in gambling machine investigations. According to Detective Inspector Larry Moodie, the raison d'etre for the OIGEU is that "without sustained province-wide illegal gambling enforcement, illegal gambling will continue to co-exist with legalized gambling" (Moodie, 2002, p 4). OIGEU's organized crime focus is based on the belief that illegal gambling operations provide a foundation that supports other illicit activities such as loan sharking, money laundering, and corruption as well as supplying working capital to invest in legitimate businesses, thereby nourishing the entire unlawful operation.

The fact that illegal gambling and organized crime investigations are less prominent in Alberta may reflect regional differences, given Ontario's much larger population and proximity to American cities where organized crime interests have flourished for over a century. The illegal gambling problem in Ontario appears to be more acute than it is in Alberta. Has organized crime penetrated illegal gambling in Alberta, and if so, to what degree? The AGLC Investigations Branch disagrees that this is the case and challenges Alberta law enforcement agencies that raise the issue, to provide corroborating evidence. In a previous study (Smith & Wynne, 1999) western Canadian law enforcement officers were asked about their perception of organized crime's involvement in illegal gambling in their jurisdictions. Their responses ranged from "minimal," to "some," to "right up to the eyeballs" (p 54). A CISA (2000) report cited by Rorison (2002) indicated that illegal video lottery and gaming machines were producing a large illicit source of income for western Canadian organized crime groups which included the Hell's Angels, Asian-based organized crime, traditional organized crime, and eastern-Europe based groups. Given the contradictory law enforcement perspectives regarding organized crime involvement in illegal gambling in Alberta, it is critical to amass empirical data on the issue. Only intensive and comprehensive investigations into all forms of illegal gambling in Alberta will reveal the extent of organized crime involvement. Ontario has made this a priority.

3.4 Gambling-Related Crime Prevention Strategies

Within the Edmonton Police Service, crime prevention falls under the Major Crimes Division of the Investigative Services Bureau. Crime prevention initiatives are guided by the EPS community policing philosophy, which is predicated on addressing long-term solutions to public safety concerns and emphasizing community involvement and ownership in dealing with these (Edmonton Police Service 2001 Annual Report).

EPS crime prevention initiatives fall within three related areas, namely, property crime, morality-related crime, and youth crime. While the EPS provides a wide range of crime prevention strategies for youth and the community-at-large, there are currently no specific crime prevention strategies or resources dealing with gambling-related crime. In contrast, the AGLC's Investigations Branch has implemented gambling-related crime prevention measures and these are outlined in the conclusions section below.

Conclusions

- Preventive measures implemented by AGLC's Investigation Branch include hiring qualified investigators with police backgrounds; providing a regular presence at major gambling facilities; conducting exhaustive background checks on prospective gaming industry companies and employees; liaising with gambling industry security personnel; enforcing the terms and conditions of the Voluntary Self-Exclusion program; and partnering with provincial law enforcement agencies for the purposes of exchanging intelligence and conducting joint forces operations.
- Illegal gambling is a low priority for the EPS and RCMP. Other than having one member each seconded to AGLC's northern region Gaming Investigation Team, minimal resources are allocated by these law enforcement agencies to monitor illegal gambling.
- Major legal gambling venues invest heavily in crime prevention by hiring large security staffs, employing strategically placed surveillance cameras, sharing criminal intelligence with the AGLC and local law enforcement agencies, and suspending or terminating the privileges of troublesome patrons.

Implications

The AGLC Investigations Branch takes significant measures to minimize crime and ensure integrity in the gambling industry. Similarly, gambling venue security operations take pride in creating a safe environment for their workers and patrons; however, as business enterprises, their primary focus is the fiscal bottom line. Given security managers' understandable concern for avoiding negative publicity, many incidents are handled internally, which means that some gambling-related criminal activity goes unrecorded in official statistics. While the approach to dealing with gambling-related crime taken by gambling venue security officials may be efficient for them, it inhibits inquiry into the impact of widespread legal gambling on crime rates.

3.5 The Role of Stakeholders in Controlling Gambling-Related Crime

In discerning the roles of Edmonton-based law enforcement agencies in terms of monitoring gambling-related crime and how these roles articulate, we interviewed EPS and RCMP representatives and major Edmonton gambling venue security managers. The perceptions of these key respondents led to the following conclusions.

Conclusions

- Inter-agency cooperation in controlling gambling-related crime exists through mechanisms such as intelligence sharing, EPS and RCMP police secondments to AGLC Gaming Investigation Teams, and occasional joint forces operations.
- Inter-agency cooperation is enhanced by the fact that most AGLC investigators are former police officers, which are trained to do the job and are seen as peers by RCMP and municipal police members.
- The AGLC is the paramount gambling-related crime enforcement agency because of the resources it allocates to this task. Having access to provincial gaming revenues, the AGLC has increased its capacity over that of police agencies by hiring officers experienced in gambling investigations.

Implications

As noted earlier, illegal gambling enforcement has traditionally fallen under the jurisdiction of municipal police forces, and to a large extent, this is still the case in many parts of Canada. As a result of diminishing police resources, both in sheer numbers and technical knowledge, Alberta Gaming's Investigation Branch has boosted its staff and assumed the leadership role in monitoring and controlling gambling-related crime across the province. This creates an anomalous situation wherein municipal police have the authority to enforce Canadian Criminal Code provisions pertaining to illegal gambling, but lack the manpower to do it; whereas, provincial gaming regulators have the resources, expertise, and desire to do the job, but an ill-defined mandate vis-à-vis Criminal Code enforcement. Notwithstanding the merits of this jurisdictional dispute, the AGLC has taken steps to rectify the situation by establishing its Gambling Investigation Teams (GITs).

4. Final Thoughts

Legal gambling opportunities abound in Alberta and the vast majority of players are "locals." Year 2001-2002 legal gambling profits in Alberta were disbursed as follows: licensed charitable and non-profit organizations ($200.3 million), VLT retailer commissions ($110.5 million), casino and racetrack commissions share of slot machine revenues ($73.5 million), and $1.1 billion to the province from VLTs, slot machines and ticket lotteries (Alberta Gaming and Liquor Commission 2001-2002 Annual Report). Given the sizable dollar amounts involved in Alberta's legal gambling industry and the fact that Alberta residents contribute most of the gambling losses, it is not unexpected to find that gambling-related crime is part of the social and economic costs of doing business. In this study we begin to assess these costs by explicating the nature and extent of gambling-related crime in the City of Edmonton, analyzing law enforcement agency responses to monitoring and controlling gambling-related crime, and suggesting ways to improve the situation.

As outlined in Chapter Two, the relationship between community crime rates and widespread legal gambling is a complex and poorly understood phenomenon, partly because research findings depend so much on context (Is the community economically depressed? Is it a tourist destination? Is there a history of legal gambling in the community? What, if any, security precautions were taken before gambling expansion occurred? And, how accurate and extensive are law enforcement agency's gambling-related crime data sets?). As we know from this study, gambling-related crime data can be scanty, imprecise, and fragmented. Police crime files reflect reported crimes, not actual crimes, and many reported crimes go unsolved. Moreover, there are several law enforcement agencies attending to gambling-related crime, each with its own agenda and record keeping practices. Despite these limitations, we make the following summary comments about gambling-related crime in Edmonton.

When conducting this study we were often asked: "So, is there a lot of gambling-related crime in Edmonton?" We found this to be a perplexing question and one that is impossible to answer precisely. Typically, our response was "we're not sure, because this is the first attempt to measure the phenomenon systematically in this locale." Over the twenty months covered by this study, between the EPS and AGLC files, 687 gambling-related crime incidents were documented. And, to the best of our knowledge, there is minimal overlap between these two data sets. These gambling-related criminal incidents run the gamut from relatively minor money or property crimes, to more abhorrent crimes involving serious personal trauma and/or consequential dollar amounts. Again, this tally reflects only those incidents identified in official law enforcement files and does not include occurrences handled by gambling venue security officers. In a debriefing meeting concerning the contents of this report, a key law enforcement respondent voiced surprise over what he considered to be a relatively low number of gambling-related crimes. If so, we may have only scratched the surface in this area. Whether the gambling-related crime totals we uncovered are high, low or what might be expected for a city this size with this amount of legal gambling, we cannot say. What is provided in this report is a rudimentary baseline measure of gambling-related crime in Edmonton that can be compared and contrasted in future studies.

Our data are not definitive enough to infer that widespread gambling causes crime, we do, however, underscore the point that gambling and crime are connected in several ways, namely: (1) addicted gamblers commit crimes—many of the gambling-related family disputes and suicides and over one-half the gambling-related frauds, where charges were laid, were precipitated by one person's problem gambling behavior; (2) major gambling venues attract opportunistic criminals looking to exploit the scene via activities such as cheating at play, counterfeiting, money laundering, theft, and fraud, plus deal with "undesirables" who disrupt play through vandalism, fighting, and public intoxication; and (3) the existence of popular forms of illegal gambling such as Internet wagering, bookmaking and common gaming houses.

Based on our observations, it is advisable to treat various gambling formats separately in future studies of gambling-related crime. Not all gambling formats are the same; in fact heterogeneity and multi-dimensionality characterize the activity. By this we mean that gambling scenes vary widely according to game format (e.g., luck versus skill, continuous versus non-continuous, player versus player, and player versus house) and the social, cultural, and situational context in which the gambling occurs. Added to the mix, is the knowledge, skill and thought processes individuals bring to the games along with their psychological make-ups. In this respect, it makes little sense to compare raffles, lotteries and pull-tickets with "harder core" gambling formats such as casino games and machine gambling; the former being much less likely to be associated with crime than the latter.

Gambling-related crime is a community concern given the depth and breadth of gambling opportunities (legal and illegal), but it can be managed if: (1) police resources are augmented so that more attention is paid to illegal gambling (especially bookmaking), (2) gambling-related crime is carefully documented and aggregated from all law enforcement and gambling industry sources, and (3) tighter restraints put on the gambling formats that have the highest addictive potency (that is, electronic gaming machines). It is reasonable to assume that a reduction in the number of problem gamblers will be associated with a decrease in gambling-related crime.

To protect the integrity of the gambling industry—which is a primary government and gambling industry goal—the AGLC's Investigations Branch should be nonpartisan and autonomous much like other government watchdog agencies such as the Provincial Auditor, Ombudsman, and Ethics Commissioner. This suggestion is not meant as a criticism of Investigations Branch personnel or the job they do, in fact, their abilities are highly regarded. It is a matter of organizational restructuring to ensure appropriate checks and balances. Given the provincial government's monopoly over legal gambling and its overriding economic interest in the activity, self-regulation raises questions of bias, transparency, and accountability. Gaming investigators must act as trustees for the entire citizenry not just the government. These contradictory roles of government—gambling promoter and regulator—result in the blurring of boundaries between government and business and run counter to the public interest (Goodman, 1995; Castellani, 2000).

In the recent gambling-related corruption scandals in other western provinces, it was not provincial gaming investigators that broke the cases; it was the efforts of independent oversight agencies. For example, in Saskatchewan the Provincial Auditor exposed the Saskatchewan Indian Gaming Authority financial improprieties; likewise, in Manitoba, the Provincial Auditor revealed the Manitoba Lotteries Corporation unethical practices. In the gambling-related criminal charges brought against former and sitting British Columbia legislators, it was the RCMP that conducted the investigations.

In Chapter One we refer to this project as a second stage study because it incrementally builds on a research agenda set out in 1997. We still consider this to be exploratory research because we essentially assembled, organized, described and interpreted the data. The next level of inquiry should be theory based; that is, testing analytical frameworks to predict gambling-related crime under various circumstances. While no hypotheses were employed in this study, certain criminological theories aided our data interpretation. In particular, "rational choice" and "deterrence" theories explain the motivations of illegal gambling participants; "routine activities" theory renders the criminal activity that takes place in and around major gambling venues more comprehensible; and "self-control" theory clarifies why it is that addicted gamblers adhere to self-defeating playing strategies and why excessive losses, coupled with under-developed coping skills, leads some problem gamblers to commit crimes.

The use of these and other theoretical perspectives in future studies, along with reforms in documenting, controlling, and prosecuting gambling-related crime will move us beyond our current limitations in dealing with this important social issue.

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APPENDIX 1
Gambling Related Occurrence Report

GAMBLING-RELATED OCCURRENCE REPORT

This report records occurrences known to the police that appear to have some relationship to gambling. For example, an incident of family violence due to a dispute over gambling, a property crime resulting from gambling debts, a drug offense occurring at a casino, gaming and betting offenses, or child neglect due to gamblingwould all qualify.

Case File No.

Investigated Date

Year	Month	Day

Disposition

Type of Gambling-Related Occurrence

- ☐ Gaming & Betting (CC)
- ☐ Crime Against Gaming Venue
- ☐ Property Crime due to debts or money required for Gambling
- ☐ Violent crime associated with dispute related to Gambling
- ☐ Other crime occurring in/around legal gambling venue (e.g. loan sharking, money laundering, counterfeiting, drug offenses etc)
- ☐ Other

Party Charged

- ☐ Male
- ☐ Female
- ☐ None

Criminal Offense (Section)

Charge Not Laid by Police
(select only one primary reason)

- ☐ Situation Resolved Informally by Referral or Mediation
- ☐ Both Parties at Fault
- ☐ Insufficient Evidence
- ☐ Officer Discretion
- ☐ Other Reason

Circumstances of Incident

Marital Status

- ☐ Married
- ☐ Cohabitating
- ☐ Divorced
- ☐ Separated
- ☐ Never Married

Alcohol/Drug

- ☐ Yes
- ☐ No

Gambling Format

- ☐ Casino
- ☐ Race Track
- ☐ Bingo
- ☐ VLT's
- ☐ Lottery
- ☐ Sports Betting
- ☐ Other

$ Value of the Occurrence (if applicable)

- ☐ Under $200
- ☐ $201-$999
- ☐ $1,000-9,999
- ☐ $10,000-$49,999
- ☐ Over $50,000

Submitted by:

Signature: